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OF THE
Legislative Assembly
OF THE
PROVINCE OF ONTARIO

FROM THE 10TH FEBRUARY TO 14TH APRIL, 1925,
BOTH DAYS INCLUSIVE

*IN THE FIFTEENTH YEAR OF THE REIGN OF OUR
SOVEREIGN LORD KING GEORGE V*

BEING THE

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SESSION 1925

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2. Bill (No. 178), introduced to amend, 206. Resolutions introduced; Lieutenant-Governor's recommendation signified; passed through Committee and referred to Bill, 229. Second reading, 229. House goes into Committee on, 236. Third reading, 284. R.A., 300. (15 Geo. V. c. 8.)

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Report presented, 208. (*Sessional Papers No. 11.*)

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LOCAL IMPROVEMENT ACT:

1. Bill (No. 69), introduced to amend, 11. Second reading, 28. House goes into Committee on, 41, 117. Third reading, 196. R.A., 300. (15 Geo. V. c. 61.)
2. Bill (No. 149), introduced to amend, 132. Second reading and referred to Municipal Committee, 158. Reported, 216. House goes into Committee on, 237. Third reading, 287. R.A., 300. (15 Geo. V. c. 61.)

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2. Bill (No. 144), introduced to amend, 132. Second reading and referred to the Legal Committee, 165. Reported, 216. House goes into Committee on, 266. Third reading, 285. R.A., 300. (15 Geo. V. c. 45.)

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Bill (No. 125), introduced respecting, 100. Second reading and referred to the Municipal Committee, 121. *No report.*

MUNICIPAL LAW:

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2. Bill (No. 88), introduced to amend, 46. Second reading, 121. Reported, 227.
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8. Bill (No. 103), introduced to amend, 75. Second reading, 96. Reported, 227.
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10. Bill (No. 112), introduced to amend, 89. Second reading, 115. Reported, 227.
11. Bill (No. 126), introduced to amend, 103. Second reading, 133. Reported, 227.
12. Bill (No. 130), introduced to amend, 103. Second reading, 126. Reported, 227.
13. Bill (No. 131), introduced to amend, 103. Order for second reading discharged, 134.
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15. Bill (No. 137), introduced to amend, 120. Second reading, 132. Reported, 227.
16. Bill (No. 141), introduced to amend, 126. Second reading, 158. Reported, 227.
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18. Bill (No. 146), introduced to amend, 132. Order for second reading discharged, 165.
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NATURAL GAS:

Bill (No. 164), introduced respecting, 185. Second reading, 195. House goes into Committee on, 233. Third reading, 286. R.A., 300. (15 Geo. V. c. 21.)

NATURAL GAS CONSERVATION ACT:

Bill (No. 63), introduced to amend, 10. Second reading, 195. House goes into Committee on, 233. Third reading, 286. R.A., 300. (15 Geo. V. c. 21.)

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NORTH BAY, TOWN OF:

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NORTHERN ONTARIO:

1. Question as to cost to Province of the Legislative Secretary of, etc., 34.
2. Question as to Mr. Keefer's power to spend public money, 34.
3. Question as to his duties, 79.
4. Question as to authority for payment of \$570.64 to, 112.
5. Return ordered, shewing all information furnished to Legislature as to the requirements and resources of the electoral districts in the provisional judicial districts by the Legislative Secretary, etc., 187. *Not brought down*.

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NORTH YORK, TOWNSHIP OF:

Petition for Act to authorize the division of, into wards, 15. Reported, 50. Bill (No. 30), introduced and referred, 52. Reported, 99. Second reading, 121. House goes into Committee on, 133. Third reading, 197. R.A., 300. (15 Geo. V. c. 120.)

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Petition for Act to separate from the County of Essex, 16. Reported, 31.
Bill (No. 3), introduced and referred, 32. Reported withdrawn; fees remitted, 235.

ONTARIO AGRICULTURAL COLLEGE AND EXPERIMENTAL FARM:

Report presented, 293. (*Sessional Papers No. 28.*)

ONTARIO ARCHITECTS ACT:

Bill (No. 102), introduced to amend, 70. Second reading and referred to the Legal Committee, 133. Reported, 206. Second reading, 212. House goes into Committee on, 224. Third reading, 286. R.A., 300. (15 Geo. V. c. 52.)

ONTARIO ATHLETIC COMMISSION:

Statement and report presented, 23. (*Sessional Papers No. 58.*)

ONTARIO BANKS:

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ONTARIO COMPANIES ACT:

1. Bill (No. 98), introduced to amend, 68. Second reading, 83. House goes into Committee on, 116. Third reading, 286. R.A., 300. (15 Geo. V. c. 53.)
2. Bill (No. 180), introduced to amend, 206. Second reading, 223. House goes into Committee on, 236. Third reading, 286. R.A., 300. (15 Geo. V. c. 53.)

ONTARIO ELECTION ACT:

Bill (No. 123), introduced to amend, 100. Order for second reading discharged, 165.

ONTARIO GAME AND FISHERIES ACT:

Bill (No. 191), introduced to amend, 269. Second reading, 281. House goes into Committee on, 282. Third reading, 285. R.A., 300. (15 Geo. V. c. 76.)

ONTARIO INSURANCE ACT:

1. Bill (No. 108), introduced to amend, 79. Order for second reading discharged, 165.
2. Bill (No. 138), introduced to amend, 120. Second reading and referred to the Legal Committee, 133. Reported, 216. House goes into Committee on, 238. Third reading, 287. R.A., 300. (15 Geo. V. c. 54.)
3. Bill (No. 139), introduced to amend, 120. Second reading, 138. House goes into Committee on, 191. Third reading, 286. R.A., 300. (15 Geo. V. c. 54.)
4. Orders-in-Council presented under, 260. (*Sessional Papers No. 72.*)

ONTARIO LAND SURVEYORS ACT:

Bill (No. 104), introduced to amend, 75. Second reading and referred to the Municipal Committee, 115. Reported, 210. House goes into Committee on, 224. Third reading, 269. R.A., 300. (15 Geo. V. c. 51.)

ONTARIO LUTHERAN CHURCH ACT:

Petition for Act to amend Act incorporating, 15. Reported, 91. Bill (No. 6), introduced and referred, 92. Reported; fees remitted, 176. Second reading, 188. House goes into Committee on, 195. Third reading, 264. R.A., 300. (15 Geo. V. c. 126.)

ONTARIO MEDICAL ACT:

Bill (No. 182), introduced to amend, 216. Second reading, 230. House goes into Committee on, 237. Third reading, 281. R.A., 300. (15 Geo. V. c. 48.)

ONTARIO MONEY LENDERS ACT:

Bill (No. 129), introduced to amend, 103. Second reading, 126. House goes into Committee on, 191. Third reading, 197. R.A., 300. (15 Geo. V. c. 56.)

ONTARIO PAROLE BOARD:

Report presented, 24. (*Sessional Papers No. 22.*)

ONTARIO PROVINCIAL POLICE:

Report presented, 225. (*Sessional Papers No. 71.*)

ONTARIO PUBLIC SERVICE ACT:

Bill (No. 109), introduced to amend, 88. Second reading, 115. House goes into Committee on, 121. Third reading, 197. R.A., 300. (15 Geo. V. c. 10.)

ONTARIO RAILWAY AND MUNICIPAL BOARD:

Report presented, 293. (*Sessional Papers No. 43.*)

ONTARIO TELEPHONE ACT:

Bill (No. 74), introduced to amend, 12. Second reading, 29. House goes into Committee on, 66. Third reading, 94. R.A., 96. (15 Geo. V. c. 58.)

ONTARIO TEMPERANCE ACT:

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ONTARIO TEMPERANCE AMENDMENT ACT, 1925:

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ONTARIO VETERINARY COLLEGE:

Report presented, 293. (*Sessional Papers No. 49.*)

OPTOMETRY ACT:

Bill (No. 173), introduced to amend, 202. Second reading, 212. House goes into Committee on, 223. Third reading, 284. R.A., 300. (15 Geo. V. c. 67.)

OSHAWA, CITY OF:

Petition for Act respecting the laying of sewers, 143. Reported, 91. Bill (No. 53), introduced and referred, 93. Reported, 281. House goes into Committee on, 284. Third reading, 286. R.A., 300. (15 Geo. V. c. 97.)

OSLER, EDMUND B.:

Petition for Act authorizing Executors of Estate of, to appropriate certain property for public purposes, 98. Reported, 91. Bill (No. 59), introduced and referred to Commissioners of Estate Bills, 93. Reported and referred to the Committee on Private Bills, 127-8. Reported; fees remitted, 200. Second reading, 208. House goes into Committee on, 214. Third reading, 269. R.A., 300. (15 Geo. V. c. 135.)

OTTAWA CHARITABLE FOUNDATION:

Petition for Act to incorporate, 22. Reported, 91. Bill (No. 47), introduced and referred, 93. Reported; fees remitted, 235. Second reading, 270. House goes into Committee on, 283. Third reading, 285. R.A., 300. (15 Geo. V. c. 131.)

OTTAWA, CITY OF:

1. Petition for Act to authorize the issue of Debentures, 22. Reported, 91. Bill (No. 48), introduced and referred, 93. Reported, 235. Second reading, 280. House goes into Committee on, 283. Third reading, 285. R.A., 300. (15 Geo. V. c. 98.)

OTTAWA CIVIC HOSPITAL:

Petition for Act to authorize the Corporation to sell certain properties in, and read under suspended Rule, 131. Bill (No. 143), introduced on

suspended Rule, 131. Reported; fees remitted, 235. Second reading, 263. House goes into Committee on, 283. Third reading, 287. R.A., 300. (15 Geo. V. c. 129.)

OWEN SOUND, CITY OF:

Petition for Act to ratify By-law, 16. Reported, 50. Bill (No. 16), introduced and referred, 51. Reported, 199. Second reading, 121. House goes into Committee on, 133. Third reading, 197. R.A., 300. (15 Geo. V. c. 99.)

PAIPOONGE, MUNICIPALITY OF:

Petition for Act to confirm assessors' and collectors' rolls, 15. Reported, 30. Bill (No. 1), introduced and referred, 31. Reported, 68. Second reading, 70. House goes into Committee on, 83. Third reading, 196. R.A., 300. (15 Geo. V. c. 100.)

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PARRY SOUND AND NORTHERN ONTARIO RAILWAY COMPANY:

Petition for Act of incorporation, 102. Reported, 102. Bill (No. 121), introduced and referred to Committee on Railways, 119. Reported, 236. Second reading, 270. House goes into Committee on, 283. Third reading, 285. R.A., 300. (15 Geo. V. c. 124.)

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PATRONAGE COMMITTEE:

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PIC RIVER AND STURGEON RIVER PULP LIMITS:

Return ordered, of correspondence relating to, 267. *Not brought down.*

PINKERTON NATIONAL DETECTIVE AGENCY:

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PLEBISCITE OR REFERENDUM:

Return presented, to an Order of the House of the Session of 1924, of correspondence favouring the submission of, to the Electors, 20. (*Sessional Papers No. 69.*)

PORT ARTHUR COURT HOUSE:

Question as to what was paid for window shades in, 280.

POUNDS ACT:

Bill (No. 119), introduced to amend, 93. Second reading and referred to the Municipal Committee, 115. Reported, 210. House goes into Committee on, 225. Third reading, 270. R.A., 300. (15 Geo. V. c. 72.)

POWER COMMISSION ACT:

Bill (No. 181), introduced to amend, 210. Second reading, 230. House goes into Committee on, 237. Third reading, 284. R.A., 300. (15 Geo. V. c. 23.)

POWER COMMISSION AND COMPANIES TRANSFER ACT, 1924:

Bill (No. 134), introduced to amend, 120. Second reading, 158. House goes into Committee on, 213. Third reading, 284. R.A., 300. (15 Geo. V. c. 24.)

PRINTING:

1. Committee appointed, 28. Report, 240, 276.
2. Recommend purchase of books, 240.
3. Recommend a curtailment of Departmental Reports, 240. Further recommendations, 276.

PRISONS AND PUBLIC CHARITIES INSPECTION ACT:

Bill (No. 79), introduced to amend, 22. Second reading, 66. House goes into Committee on, 68. Third reading, 196. R.A., 300. (15 Geo. V. c. 81.)

PRISONS AND REFORMATORIES:

Report presented, 293. (*Sessional Papers No. 24.*)

PRIVATE BILLS:

1. Committee appointed, 25. Report, 68, 74, 88, 99, 175, 200, 209, 234, 261.
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Committee appointed, 27. *No report.*

PROVINCIAL BONDS:

Return ordered, shewing amount of, purchased by Government since 1920, 158. *Not brought down.*

PROVINCIAL HIGHWAY ACT:

Bill (No. 167), introduced to amend, 194. Second reading, 208. House goes into Committee on, 213, 290. Third reading, 290. R.A., 300. (15 Geo. V. c. 27.)

PROVINCIAL HIGHWAYS:

1. Question as to how many miles constructed in 1924, 103.
2. Question as to estimates furnished to companies for cost of maintenance, 105.
3. Return ordered, shewing the total expenditure on, from inception of the highway system, up to 31st December, 1924, 222. *Not brought down.*

PROVINCIAL LAND TAX ACT, 1924:

- Bill (No. 78), introduced to amend, 18. Second reading, 29. House goes into Committee on, 42. Third reading, 93. R.A., 96. (15 Geo. V. c. 17.)

PROVINCIAL MUNICIPAL AUDITOR:

- Report presented, 14. (*Sessional Papers No. 8.*)

PROVINCIAL SECRETARY'S DEPARTMENT:

1. Question as to identity of Deputy Head, 33.
2. Question as to duties of Deputy Head, 80.
3. Provincial Secretary announces Prorogation, 303.

PROVINCIAL SECURITIES COMPANY:

- Return presented to an Order of the House of the Session of 1924, shewing all contracts between the Treasury Department and, or the Browning-Harris Company, *re* purchases of outstanding Bonds of the Province, 14. (*Sessional Papers No. 53.*)

PUBLIC ACCOUNTS:

1. Committee appointed, 27. Report, 292.
2. Accounts presented and referred, 75. (*Sessional Papers No. 1.*)
3. Member added, 42.
4. Leave given to sit concurrently with Sittings of House, 239.

PUBLIC HEALTH ACT:

1. Bill (No. 107), introduced to amend, 79. Order for second reading discharged, 165.
2. Bill (No. 110), introduced to amend, 89. Second reading and referred to Municipal Committee, 115. Reported, 210. House goes into Committee on, 238. Third reading, 270. R.A., 300. (15 Geo. V. c. 69.)

PUBLIC LANDS ACT:

- Bill (No. 64), introduced to amend, 10. Second reading, 40. House goes into Committee on, 44. Third reading, 94. R.A., 96. (15 Geo. V. c. 18.)

PUBLIC LIBRARIES ACT:

- Bill (No. 156), introduced to amend, 143. Second reading, 165. House goes into Committee on, 192. Third reading, 284. R.A., 300. (15 Geo. V. c. 63.)

PUBLIC RECORDS AND ARCHIVES:

Report presented, 274. (*Sessional Papers No. 45.*)

PUBLIC SCHOOL TRUSTEES:

Bill (No. 179), introduced to provide Township Boards of, 206. Second reading and referred to Public at large, 230.

PUBLIC SERVICE SUPERANNUATION BOARD:

Report presented, 46. (*Sessional Papers No. 61.*)

PUBLIC UTILITIES ACT:

Bill (No. 136), introduced to amend, 120. Second reading, 133. House goes into Committee on, 159. Third reading, 264. R.A., 300. (15 Geo. V. c. 64.)

PUBLIC VEHICLES ACT:

Bill (No. 68), introduced to amend, 11. Second reading, 28. House goes into Committee on, 43, 117. Third reading, 264. R.A., 300. (15 Geo V. c. 65.)

PUBLIC WORKS DEPARTMENT:

Report presented, 274. (*Sessional Papers No. 12.*)

PURVIS, R. A. H.:

Question as to payment of \$1,500 to, 110.

QUEEN VICTORIA NIAGARA FALLS PARK:

Resolutions introduced; Lieutenant-Governor's recommendation signified; passed through Committee and referred to Bill, 38-9. Bill (No. 60), introduced respecting the Commissioners for, 10. Second reading, 28. House goes into Committee on, 40, 265. Third reading, 265. R.A., 300. (15 Geo. V. c. 32.)

QUESTIONS:

1. Point of order raised *re* reply to and Mr. Speaker's ruling, 164.
2. Question as to appointment of Controller of Finance, 18.
3. As to names of Solicitors employed in Legal Department of Ontario Hydro-Electric Commission, 18.
4. As to members constituting the full Hydro Commission, 19.
5. As to members of the Statute Revision Commission, 19.
6. As to amount paid for maintenance purposes on account of Highways, 20.
7. As to J. P. Jaffray being still in the Government service, 20.
8. As to cost of Commission *re* Settell charges, 33.

9. As to what private apartments are still maintained in the Parliament Buildings, 33.
10. As to salary of Chairman of Hydro-Electric Power Commission and Mr. Cooke, etc., 33.
11. As to identity of Deputy Provincial Secretary, 33.
12. As to the cost to the Province of the Legal Secretary for Northern Ontario, etc., 34.
13. As to what has been the revenue to the Province, from the tax on race track wagering, 34.
14. As to power of Mr. Keefer to spend public money, 34.
15. As to revenue to Province from tax on racing associations, 35.
16. As to the serious extent of unemployment, etc., 35.
17. As to whether member for East Hamilton is still a member of the Government, etc., 36.
18. As to amount of Succession Duty free bonds outstanding when Drury Government came into office, etc., 53.
19. As to total amount of deposits made in Province of Ontario Banks, etc., 55.
20. As to rate of interest paid for deposits in Provincial Savings Banks, 55.
21. As to amount paid Government under settlement with Shevlin-Clarke Company, 55.
22. As to newspapers in Great Britain in which Government advertisements inserted, etc., 56.
23. As to names of contracting firm for road, Sudbury to Coniston, 59.
24. As to revenue received by Province in 1924, for sale of motor licenses, etc., 60.
25. As to number of reforestation stations operated, 61.
26. As to informations laid against Dr. Henry, of Orangeville, 61.
27. As to when liquor dispensaries established, 61.
28. As to profits of liquor dispensaries since established, 62.
29. As to directorships in Joint Stock Companies, held by members of the Government, 62.
30. As to employment of Miss Constance Boulton, 63.
31. As to duties of F. H. Keefer, etc., 79.
32. As to how many doctors exceed the limit of fifty prescriptions, 79.
33. As to employment of W. S. Beamish, 80.
34. As to number of informations laid before Police Magistrate Gundy for breaches of the O.T.A., 80.

35. As to duties of Deputy Head of Provincial Secretary's Department, 80.
36. As to \$30,000 paid to Government by G. B. Nicholson, 81.
37. As to time of establishment of liquor dispensaries, 81.
38. As to how many miles of Provincial Highway constructed in 1924, etc., 103.
39. As to how many motor cars purchased for Highway Department, 104.
40. As to what has been cost to Province in connection with legal opinions, etc., regarding Judicature Act, 104.
41. As to employment of F. A. Dallyn in Department of Health, 104.
42. As to estimates furnished *re* maintenance of Provincial Highways, 105.
43. As to control of Government Patronage by George M. Boughner, 105.
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2. Petition for Act, to authorize the issue of debentures, 15. Reported, 50. Bill (No. 39), introduced and referred, 52. Reported, 88. Second reading, 115. House goes into Committee on, 122. Third reading, 197. R.A., 300. (15 Geo. V. c. 112.)
3. Petition for Act to amend Act relating to City Gas Company, 17. Reported, 50. Bill (No. 41), introduced and referred, 52. *No report.*
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2. Petition for Act to amend Act relating to Water Commission, 17. Reported, 91. Bill (No. 25), introduced and referred, 92. Reported, 234. Second reading, 263. House goes into Committee on, 283. Third reading, 285. R.A., 300. (15 Geo. V. c. 118.)
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2. Bill (No. 163), introduced to amend, 181. Second reading, 196. House goes into Committee on, 213. Third reading, 286. R.A., 300. (15 Geo. V. c. 43.)

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2. Petition for Act to ratify an agreement, 101. Bill (No. 118), introduced on suspended Rule, 44. Reported, 261. Second reading, 281. House goes into Committee on, 284. Third reading, 286. R.A., 300. (15 Geo. V. c. 122.)

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Insurance, Report.....	10	<i>Printed.</i>
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| No. 1 | Public Accounts of the Province for the year ending October 31st, 1924. Presented to the Legislature, March 5th, 1925. <i>Printed.</i> |
| No. 2 | Estimates—Supplementary for the service of the Province for the year ending October 31st, 1925. Presented to the Legislature, March 5th, 1925. <i>Printed.</i> Further Supplementary Estimates for the year ending October 31st, 1924. Presented to the Legislature, March 31st, 1925. <i>Printed.</i> Estimates for the year ending October 31st, 1926. Presented to the Legislature, April 6th, 1925. <i>Printed.</i> |
| No. 3 | Report of the Department of Lands and Forests, for the year 1924. Presented to the Legislature, April 9th, 1925. <i>Printed.</i> |
| No. 4 | Report of the Department of Mines for the year 1924. Presented to the Legislature, April 3rd, 1925. <i>Printed.</i> |
| No. 5 | Report of the Inspector of Division Courts for the year 1924. Presented to the Legislature, March 19th, 1925. <i>Printed.</i> |
| No. 6 | Report of the Inspector of Legal Offices. <i>Not Presented.</i> |
| No. 7 | Report of the Inspector of Registry Offices for the year 1924. Presented to the Legislature, March 5th, 1925. <i>Printed.</i> |
| No. 8 | Report of the Provincial Municipal Auditor for the year 1924. Presented to the Legislature, February 12th, 1925. <i>Not Printed.</i> |
| No. 9 | Report of the Queen Victoria Niagara Falls Park Commission. <i>Not Presented.</i> |
| No. 10 | Report of the Superintendent of Insurance for the year 1924. Presented to the Legislature, April 1st, 1925. <i>Printed.</i> |
| No. 11 | Report of the Registrar of Loan Corporations for the year 1924. Presented to the Legislature, April 1st, 1925. <i>Not Printed.</i> |
| No. 12 | Report of the Department of Public Works for the year 1924. Presented to the Legislature, April 8th, 1925. <i>Not Printed.</i> |
| No. 13 | Report of the Department of Game and Fisheries for the year 1924. Presented to the Legislature, April 2nd, 1925. <i>Not Printed.</i> |

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| No. 14 | Highway Improvement Fund, sums chargeable to. <i>Not Presented.</i> |
| No. 15 | Report of the Department of Labour for the year 1924. Presented to the Legislature, March 6th, 1925. <i>Not Printed.</i> |
| No. 16 | Report of the Department of Education for the year 1924. Presented to the Legislature, April 8th, 1925. <i>Printed.</i> |
| No. 17 | Report of the Board of Governors of the University of Toronto for the year 1924. Presented to the Legislature, February 25th, 1925. <i>Printed.</i> |
| No. 18 | Report of the Secretary and Registrar of the Province for the year 1924. Presented to the Legislature, April 2nd, 1925. <i>Printed.</i> |
| No. 19 | Report upon Births, Marriages and Deaths for the year 1924. <i>Not Presented.</i> |
| No. 20 | Report of the Provincial Board of Health for the year 1924. Presented to the Legislature, March 6th, 1925. <i>Printed.</i> |
| No. 21 | Report respecting Hospitals for Insane, Feeble-minded and Epileptic for the year 1924. Presented to the Legislature, April 9th, 1925. <i>Not Printed.</i> |
| No. 22 | Report of the Board of Parole for the year 1924. Presented to the Legislature, February 18th, 1925. <i>Not Printed.</i> |
| No. 23 | Report respecting Hospitals and Charitable Institutions for the year 1924. Presented to the Legislature, April 9th, 1925. <i>Not Printed.</i> |
| No. 24 | Report respecting Prisons and Reformatories for the year 1924. Presented to the Legislature, April 9th, 1925. <i>Not Printed.</i> |
| No. 25 | Children, Neglected and Dependent, Report for the year 1924. Presented to the Legislature, 25th February, 1925. <i>Not Printed.</i> |
| No. 26 | Report of the Board of License Commissioners on the operation of the Ontario Temperance Act for the year 1924. Presented to the Legislature, April 9th, 1925. <i>Printed.</i> |
| No. 27 | Report of the Department of Agriculture for the year 1924. Presented to the Legislature, April 9th, 1925. <i>Not Printed.</i> |
| No. 28 | Report of the Ontario Agricultural College and Experimental Farm for the year 1924. Presented to the Legislature, April 9th, 1925. <i>Not Printed.</i> |
| No. 29 | Report of the Agricultural and Experimental Union for the year 1924. Presented to the Legislature, April 9th, 1925. <i>Printed.</i> |
| No. 30 | Report of the Vegetable Growers' Association. <i>Not Presented.</i> |

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| No. 31 | Report of the Entomological Society. <i>Not Presented.</i> |
| No. 32 | Report of the Bee-Keepers' Association. <i>Not Presented.</i> |
| No. 33 | Report of the Dairymen's Associations. <i>Not Presented.</i> |
| No. 34 | Report of the Livestock Branch. <i>Not Presented.</i> |
| No. 35 | Report of Municipal Affairs <i>re</i> Housing. <i>Not Presented.</i> |
| No. 36 | Report of the Women's Institutes for the year 1924. Presented to the Legislature, April 9th, 1925. <i>Not Printed.</i> |
| No. 37 | Report of the Agricultural Societies, Fairs and Exhibitions. <i>Not Presented.</i> |
| No. 38 | Report of the Horticultural Societies. <i>Not Presented.</i> |
| No. 39 | Report of the Fruit Growers' Association. <i>Not Presented.</i> |
| No. 40 | Report of Statistics Branch of the Department of Agriculture for the year 1924. Presented to the Legislature, April 9th, 1925. <i>Not Printed.</i> |
| No. 41 | Report of the Temiskaming and Northern Ontario Railway Commission. <i>Not Presented.</i> |
| No. 42 | Report of the Librarian on the State of the Library for the year 1924. Presented to the Legislature, February 12th, 1925. <i>Not Printed.</i> |
| No. 43 | Report of the Ontario Railway and Municipal Board for the year 1924. Presented to the Legislature, April 9th, 1925. <i>Not Printed.</i> |
| No. 44 | Return from the Records of the By-elections held in June and July, 1924. Presented to the Legislature, February 10th, 1925. <i>Printed.</i> |
| No. 45 | Report on the Public Records and Archives for the year 1924. Presented to the Legislature, April 8th, 1925. <i>Not Printed.</i> |
| No. 46 | Report of the Hydro-Electric Power Commission of Ontario for the year 1924. Presented to the Legislature, April 9th, 1925. |
| No. 47 | Report of Provincial Auditor. <i>Not Presented.</i> |
| No. 48 | Report of the Workmen's Compensation Board. <i>Not Presented.</i> |
| No. 49 | Report of the Ontario Veterinary College for the year 1924. Presented to the Legislature, April 9th, 1925. <i>Printed.</i> |

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- No. 50 Return from the Records of the Plebiscite Vote held on October 23rd, 1924. Presented to the Legislature, March 13th, 1925. *Printed.*
- No. 51 Copies of Regulations and Orders-in-Council under the authority of the Department of Education Act. Presented to the Legislature, February 11th and April 1st, 1925. *Not Printed.*
- No. 52 Reports of Municipal Water Works and Gas Systems for 1924. Presented to the Legislature, February 12th, 1925. *Not Printed.*
- No. 53 Return to an Order of the House, dated April 11th, 1924, that there be laid before this House, a Return of all contracts between the Treasury Department and the Provincial Securities Company on the Browning and Harris Company of Hamilton for the purchase of outstanding bonds of the Province of Ontario. Presented to the Legislature, February 12th, 1925. *Mr. Raney. Not Printed.*
- No. 54 Return to an Order of the House, of the 14th April, 1924, that there be laid before this House, a Return of copies of all correspondence in connection with the closing and opening of Whitefish Bay in the North Channel opposite Little Current during last ten years. Also, copy of Order-in-Council passed by the late Government dealing with this matter. Presented to the Legislature, February 12th, 1925. *Mr. Wallis. Not Printed.*
- No. 55 Return to an Order of the House, of the 14th April, 1924, that there be laid before this House, a Return showing the total number of permanent and temporary civil servants on July 15th, 1923, in the pay of the Province. How many have since resigned. How many have since been dismissed or have requested to resign. How many permanent and temporary civil servants have been appointed since that date. Presented to the Legislature, February 12th, 1925. *Mr. Bragg. Not Printed.*
- No. 56 Statement of the Legislative grants for the year 1924 paid to Rural, Public and Separate Schools in the Counties and Districts and to Urban Public and Separate Schools in the Counties and Districts which in accordance with the provisions of the Amendment to the Schools Act passed in 1922 were classed as Rural Schools and received grants as such. Presented to the Legislature, February 12th, 1925. *Not Printed.*
- No. 57 Return to an Order of the House, dated April 11th, 1924, that there be laid before this House, a Return, down to the date thereof, of:—(a) All correspondence between the Government or any Member thereof, and any person or organization favouring the submission to the electors of Ontario of a plebiscite, or referendum, on the Ontario Temperance Act or the liquor question and all resolutions or petitions received by the Government or any Member thereof favouring such a submission, and (b) all corre-

- spondence between the Government or any Member thereof and any person or organization opposing such a submission. Presented to the Legislature, February 13th, 1925. *Mr. Raney. Not Printed.*
- No. 58 Report of the Ontario Athletic Commission for the year 1924. Presented to the Legislature, February 17th, 1925. *Not Printed.*
- No. 59 Report of the Commissioner of Extra-mural Employment of Sentenced Persons' Act, 1924. Presented to the Legislature, February 18th, 1925. *Not Printed.*
- No. 60 Report under the Children's Protection Act and First Annual Report under the Adoption Act, 1921, and the Children of Unmarried Parents Act, 1921. Presented to the Legislature, February 25th, 1925. *Not Printed. See No. 25.*
- No. 61 Report of the Public Service Superannuation Board for the year 1924. Presented to the Legislature, February 25th, 1925. *Not Printed.*
- No. 62 Report on the Distribution of Revised and Sessional Statutes for the year 1924. Presented to the Legislature, February 25th, 1925. *Not Printed.*
- No. 63 Report of the Minimum Wage Board for the year 1923. Presented to the Legislature, March 13th, 1925. *Not Printed.*
- No. 64 Report of the Minimum Wage Board for the year 1924. Presented to the Legislature, March 13th, 1925. *Not Printed.*
- No. 65 Return to an Order of the House, dated April 11th, 1924, That there be laid before this House, a Return of the following papers:—
1. Agreement made in 1918 between the Government of Ontario and J. J. Carrick for extension of time to build mills under leases of Pic River and Black Sturgeon River Pulp Limits. 2. Copies of all subsequent agreements with reference to the said limits or mills between the Government of Ontario and the Hydro-Electric Power Commission of Ontario and the Great Lakes Paper Company. 3. Copy of reasons of Hon. Mr. Justice Rose in the action of Attorney-General *versus* Great Lakes Paper Company. 4. Copies of all correspondence on the files of the Government or on the files of the Hydro-Electric Power Commission in the said matters subsequent to the return to this Assembly made pursuant to an Order of the House of the 12th of March, 1920. 5. Copy of the report of the Hydro-Electric Commission of Enquiry on the Nipigon Power Development. Presented to the Legislature, March 16th, 1925. *Mr. Raney. Not Printed.*
- No. 66 Report of the Agricultural Development Board for the year 1924. Presented to the Legislature, March 13th, 1925. *Printed.*

- No. 67 Auditor's Report for the years 1923-24 prepared pursuant to provision of an Order-in-Council, dated October 28th, 1909. Presented to the Legislature, March 30th, 1925. *Not Printed.*
- No. 68 Return to an Order of the House of the 6th March, 1925, for a Return showing all requests by the Minister of Highways under the Ontario Highways Act, 1924, 14 Geo. V, cap. 28, that the Highway Committee consult with him as to the administration of Acts of the Legislature respecting the construction, maintenance and operation of highways by municipal corporations or the Province, and for a Return of all recommendations and suggestions made by said Committee to the Minister in consequence of such requests for improvement and amendments in said Acts and the administration of the same, and for a Return showing all requests of the Minister that said Committee personally visit and inspect any highway or district through which it was proposed to construct, improve or extend any highway under any of said Acts and for a Return showing all reports of said Committee made to the Minister in consequence thereof. Presented to the Legislature, March 30th, 1925. *Mr. Mewhinney. Not Printed.*
- No. 69 Report of the Mothers' Allowance Commission for the year 1923-24. Presented to the Legislature, March 31st, 1925. *Not Printed.*
- No. 70 Report of the Civil Service Commissioner for the year 1924. Presented to the Legislature, April 7th, 1925. *Not Printed.*
- No. 71 Report of the Commissioner of the Ontario Provincial Police for the year 1924. Presented to the Legislature, April 3rd, 1925. *Printed.*
- No. 72 Copies of Orders-in-Council under the Ontario Insurance Act. Presented to the Legislature, April 7th, 1925. *Not Printed.*
- No. 73 Report of the Public Works Department. Presented to the Legislature, April 8th, 1925. *Not Printed.*
- No. 74 Return to an Order of the House of the 27th March, 1925, showing all correspondence passing between the solicitors of Alva Lindsay McBride, widow of Kenneth McBride, deceased, and the Department of Lands and Forests and between said Department and said solicitors regarding back pay due the said Kenneth McBride at his decease and compensation due the widow on account of said decease and all correspondence from other parties with said Department and by the said Department with other parties in relation to the same. Presented to the Legislature, April 9th, 1925. *Mr. Sinclair. Not Printed.*
- No. 75 Return to an Order of the House of the 3rd day of April for a Return showing:—1. How many timber areas have been disposed of

by the present Government down to the date hereof (a) by way of permit, (b) by way of addition to areas previously disposed of, (c) by way of sale or tender. 2. To whom were these areas disposed of. 3. What prices were received for the different kinds of wood and timber. 4. In how many of the above cases was there inserted in the contract a wage clause as provided by Resolution of this House adopted April 14th, 1924. Presented to the Legislature, April 9th, 1925. *Mr. Heenan. Not Printed.*

PAPERS ORDERED BUT NOT BROUGHT DOWN.

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2. Return shewing what amounts paid to legal counsel in litigation <i>re</i> Separate Schools.....	157
3. Return shewing maximum available supply of electric power in each of the systems, Niagara, etc.....	35
4. Return shewing the amount of money paid for Fire Insurance by the Hydro-Electric Power Commission.....	82
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7. Return shewing amount of Provincial Bonds purchased by Government, since 1920.....	158
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JOURNALS
OF THE
LEGISLATIVE ASSEMBLY
OF THE
PROVINCE OF ONTARIO

Tuesday, February 10th, 1925.

PROCLAMATION.

HENRY COCKSHUTT.

Canada,
Province of
Ontario

GEORGE FIFTH, by the Grace of God, of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, KING, Defender of the Faith, Emperor of India, &c., &c., &c.

To Our Faithful, the Members elected to serve in the Legislative Assembly of Our Province of Ontario and to every of you—GREETING.

WILLIAM F. NICKLE, Attorney-General. { **W**HEREAS it is expedient for certain causes and considerations to convene the Legislative Assembly of Our Said Province, WE DO WILL that you and each of you, and all others in this behalf interested, on TUESDAY, the TENTH day of the month of FEBRUARY now next, at OUR CITY OF TORONTO, personally be and appear for the DESPATCH OF BUSINESS, to treat, act, do and conclude upon these things which, in Our Legislature of the Province of Ontario by the Common Council of Our said Province, may by the favour of God be ordained. **HEREIN FAIL NOT.**

IN TESTIMONY WHEREOF, we have caused these Our Letters to be made Patent, and the Great Seal of Our Province of Ontario to be hereunto affixed: WITNESS, His Honour HENRY COCKSHUTT, LIEUTENANT-GOVERNOR of Our Province of Ontario, at Our Government House in the City of Toronto, in Our said Province, this TWELFTH day of JANUARY in the year of Our Lord one thousand nine hundred and twenty-five and in the Fourteenth year of Our Reign.

By Command,

C. F. BULMER,

Clerk of the Crown in Chancery.

Tuesday, the Tenth day of February, 1925, being the first day of the Second Meeting of the Sixteenth Legislature of the Province of Ontario for the Despatch of Business pursuant to a Proclamation of His Honour Henry Cockshutt, Lieutenant-Governor of the Province.

PRAYERS.

3 O'clock P.M.

Mr. Speaker informed the House that he had received notifications of vacancies which had occurred since the last Session of the House, and had issued his Warrants to the Clerk of the Crown in Chancery for new Writs for the Election of Members to serve in the present Legislature for the following Electoral Districts:—

South Waterloo.*

North-West Toronto, Seat "A."

TORONTO, May 15th, 1924.

To the Honourable the Speaker of the Legislative Assembly of the Province of Ontario.

Sir,—I hereby declare my intention of resigning my seat in the Legislative Assembly for Ontario, for the Electoral Division of North West Toronto, Seat "A." And I do hereby resign the same.

* See Journal of 1924, page 30.

And I make this declaration and resignation under my hand and seal in the presence of the undersigned witnesses.

Signed and sealed on this 15th day of May, A.D. 1924.

Signed and sealed in our presence the day and year above written.

Witnesses:

C. C. HELE [L.S.]

GEO. GRANT [L.S.]

THOMAS CRAWFORD [L.S.]

Mr. Speaker also informed the House, That the Clerk had received from the Clerk of the Crown-in-Chancery the following Certificates.

PROVINCE OF ONTARIO.

THIS IS TO CERTIFY that in virtue of a Writ of Election, dated the tenth day of May, 1924, issued by His Honour the Lieutenant-Governor, and addressed to John G. Alison, Esquire, Returning Officer for the Electoral District of South Waterloo, for the election of a Member to represent the said Electoral District of South Waterloo in the Legislative Assembly of this Province, in the room of Karl K. Homuth, Esquire, who had been unseated, Karl K. Homuth, Esquire, has been returned as duly elected, as appears by the Return to the said Writ of Election, dated the Thirtieth day of June, 1924, which is now lodged of record in my office.

C. F. BULMER,
Clerk of the Crown in Chancery.

Toronto, January 10th, 1925.

PROVINCE OF ONTARIO.

THIS IS TO CERTIFY that in virtue of a Writ of Election, dated the Twenty-third day of May, 1924, issued by His Honour the Lieutenant-Governor, and addressed to William E. Dunlop, Esquire, Returning Officer for the Electoral District of North West Toronto, Seat "A," for the election of a Member to represent the said Electoral District of North West Toronto, Seat "A," in the Legislative Assembly of this Province, in the room of The Honourable Thomas Crawford, who had resigned, William Henry Edwards, Esquire, has been returned as duly elected, as appears by the Return to the said Writ of Election, dated the Fifteenth day of July, 1924, which is now lodged of record in my office.

C. F. BULMER,
Clerk of the Crown in Chancery.

Toronto, January 10th, 1925.

Karl K. Homuth, Esquire, Member for the Electoral District of South Waterloo, and William Henry Edwards, Esquire, Member for the Electoral District of North West Toronto, Seat "A," having taken the Oaths and subscribed the Roll, took their Seats.

The House then adjourned during pleasure.

And after some time the House resumed.

His Honour Henry Cockshutt, Lieutenant-Governor of the Province, then entered the House, and being seated on the Chair on the Throne, was pleased to open the Session by the following gracious Speech to the House:—

Mr. Speaker and Gentlemen of the Legislative Assembly—

It is my privilege to-day to welcome you to the discharge of your duties at the Second Session of the Sixteenth Legislature of this Province.

At the outset I desire to join with you in acknowledging our profound gratitude to Almighty God for the blessings we have enjoyed as a people during the past year. The abundant harvest, coupled with the enhanced values of farm products, has greatly improved the outlook of those who depend upon our basic industry for their livelihood. On the other hand, however, the unsatisfactory condition of industry, and of commerce generally, has served to intensify the lack of employment and the consequent distress in our centres of population.

The recent official visit of representatives of Ontario to the Province of Quebec, in which I had the pleasure of participating, afforded an excellent opportunity for a public expression of the good feelings long prevalent between the people of these neighbouring Provinces, which make for national strength and solidarity. It is gratifying to observe the growing recognition of the community of interest and the deep-rooted ties of sentiment and tradition existing between the various sections of the Dominion.

During the Recess, special attention was given to the important problem of finding new markets for our agricultural products, while further developing the existing trade. In pursuance of this policy my Ministers purpose to undertake a careful study of the marketing of our fruits in the Mother Country, with a view to placing them more advantageously before the British consumer. Steps will also be taken to develop the opportunities in Great Britain for our dairy commodities by a thorough examination of the market conditions. I trust that these efforts will bring increased prosperity to agriculture in which all classes of the community will participate.

Business conditions affecting agriculture have been thoroughly investigated by the Committee appointed for that purpose at your last Session. Every section of the Province has been visited by the Committee, and a sympathetic

hearing given to the representations made on behalf of the farming community. These representations have enabled the Committee to compile a valuable report, covering a variety of subjects concerning agriculture, and making recommendations which, I trust, will bring about useful results.

The progress made in education during the year has been most encouraging. Commendable zeal has been shown by local school authorities in the endeavour to provide adequately for the remarkable increase in the attendance at the secondary schools. The changes made in the elementary school courses of study to render them less burdensome and to give them greater flexibility, have been received with favour and are benefiting both the teachers and the pupils. A special enquiry was made during the year by Dr. Merchant, the Chief Director of Education, into rural school conditions in Great Britain and Denmark, with a view to the adoption of such modifications in the rural school programme as may be found applicable to conditions in Ontario.

Additional progress has been made with the several developments controlled by the Hydro-Electric Power Commission, notably at Queenston, where the seventh unit is now in successful operation. The Commission finds that all the power now available is required to meet the demands in the various Systems, and that these demands continue to grow from year to year. It is, therefore, apparent that our electrical resources will shortly become inadequate unless early provision is made for future extensions. I trust that the initial steps taken toward the development of the St. Lawrence River will not meet with delay, but that power from this source will be available within a reasonable time.

The conservation of our heritage of waterpowers is becoming a matter of increasing urgency. The diversion of the waters of the Great Lakes is a serious menace to this Province, as it would inevitably impair the efficiency of our public undertakings in which great investments have been made, and would curtail industrial activities affording employment to our people. The situation possesses more than Provincial significance, inasmuch as the lowering of the water levels will restrict navigation, destroy the usefulness of our harbours and terminals, and render valueless work done at large expense by the Dominion for the advantage of the whole country. It is impossible to reconcile the depletion of our water supply with a regard for natural rights or treaty obligations. Not less serious to this Province, in the judgment of my Ministers, is the proposal to permit of the further exportation of electrical power, which would authorize the alienation, more or less permanently, of a portion of our right to this most valuable product.

It is apparent that the visit of the Minister of Mines to London with a view to making the mining possibilities of Ontario better known in that great centre of finance proved to be highly successful, as British capital is now finding its way in important amounts to this Province for mining investments. The outlook for the mining industry in Ontario was never brighter than it is to-day. This Province now holds the third place among the gold-producing countries of the world, and is recognized as an important and increasing source of supply for precious metals. The activity in silver mining, and the fresh deposits now being opened up, which are yielding remarkably rich ores, afford an assurance of the future of that great industry.

The extension of the Provincial Railway into additional mining areas, promises to prove beneficial from the standpoint of the development of Northern Ontario, as well as from that of the operation of the railway. Last year the System showed a balance of receipts over operating expenditures, and was able to contribute a substantial sum to the Provincial revenues. My Ministers propose that hereafter the Commission shall be authorized to raise, by way of loans, the money required for capital purposes.

A notable advance has been made towards the protection and conservation of our forests by the inauguration of the Ontario Air Service. This organization has proven of great assistance in the detection of forest fires, thus enabling the fire rangers to combat the dangers of conflagrations in their early stages. An important feature of the Air Service is the moral effect of its constant vigilance on persons who are disposed to be careless in the observance of the precautions against forest fires. Extensive photographic surveys were made by the Air Force, which will be of practical value in accurately determining the forest resources of the Province.

Much attention has been given to the development of the Public Highways in the direction of curtailing the costs of construction, and extending the advantages of the System. Various phases of the work have been investigated by the Highway Advisory Committee, which will present a comprehensive report for your consideration. The evidence elicited by the Committee points convincingly to the need, in certain parts of the Province, of an increased mileage and a higher quality of improved roads. It is reasonable and necessary that those who will enjoy the advantage of the expenditure involved should contribute more largely to the cost, and you will be asked, therefore, to sanction legislation for that purpose.

I am glad to observe the wide-spread interest evinced in the efforts of my Government to preserve and promote the public health. The celebration of Public Health Week in different parts of the Province is meeting with most encouraging results, and points to a new field of usefulness in this important regard. I bespeak for the warfare against human ailments and diseases public co-operation and support.

It is a matter of much satisfaction that the plans for the reclamation of under-privileged boys along parental lines, have met with general approval. The attitude of a number of organizations, and of business men generally, towards the project, assures the co-operation which is necessary to its success. My Ministers have secured, mainly through the generosity of a private donor, a suitable property in the vicinity of Bowmanville for this purpose, and building operations are now in progress. Legislation will be introduced to enable those interested in the undertaking to participate in its administration and control.

In consequence of the condition of unemployment, my Ministers propose that the Province shall pay a proportion of the cost of works undertaken by municipalities for relief purposes. Moreover, they have deemed it advisable to carry on, as far as possible, public undertakings which might otherwise have been suspended during the winter season. The occasion was considered opportune for commencing the erection of a Departmental building, which, for a considerable time, has been much needed. It is intended that this structure

will group together, in the vicinity of the Legislative buildings, various services which are now scattered throughout the Capital City, and are therefore more or less inconveniently situated for the transaction of public business.

The important work of revising and consolidating the Public Statutes of the Province has been commenced by the Commission appointed for that purpose. Certain measures recommended by the Commission may come before you during the present Session, but the bulk of the legislation required to make the revision effective will be submitted to you at your Session a year hence.

In view of the situation of this Province in the matter of fuel resources my Government has caused an expert inquiry to be made into the actual cost of the transportation of coal. The information obtained will constitute the basis of an application to the Dominion Railway Board for a special rate for the carriage of coal to Ontario. It is hoped it may be found possible to arrange for a supply of Canadian coal for consumers in this Province.

By the reduction of the rate of interest on the deposits in the Savings Branches of the Treasury a measure of economy has been effected, but not less important is the fact that this action will enable the Government to provide cheaper money for farm loans. The advantage thus obtained will naturally be reflected in reduced rates of interest on money loaned for agricultural purposes generally throughout the Province.

Legislation will be introduced to amend The Ontario Temperance Act by enacting that liquor with an absolute alcoholic content by volume of more than two and a half per cent. shall be conclusively deemed to be intoxicating, and to further amend the Act to facilitate enforcement.

A measure will be introduced respecting the representation of the people in the Legislative Assembly.

Among other measures that will be submitted for your consideration are Bills: to establish a Boys' Welfare Board of Ontario; to amend the School Laws; to amend the Agricultural Development Act; to increase the Sessional Indemnity payable to members of the Legislative Assembly; to augment the salaries of members of the Executive Council; to amend the Highway Traffic Act; to amend the Public Vehicles Act; to amend the Highway Improvement Act; to authorize a further loan for the development of Northern and North-Western Ontario; and for other purposes.

Considerable progress was made during the year towards the restoration of the balance between the revenues and expenditures of the Province. The estimate of increased revenue submitted by the Treasurer has been more than realized and a substantial reduction has been made in the expenditure. The Public Accounts will be laid before you at an early date, and also estimates of expenditures for the current and ensuing fiscal years.

In conclusion, I commend to your earnest consideration the various measures that will come before you, and I trust that, under the guidance of Providence, your deliberations may conduce to the welfare, prosperity and happiness of our people.

His Honour the Lieutenant-Governor was then pleased to retire.

Mr. Speaker then reported, That, to prevent mistakes, he had obtained a copy of His Honour's Speech, which he read.

On motion of Mr. Ferguson, seconded by Mr. Henry, a Bill was introduced intituled "An Act respecting the Administration of Oaths of Office to persons appointed as Justices of the Peace," and the same was read the first time.

On motion of Mr. Ferguson, seconded by Mr. Henry.

Ordered, That the Speech of His Honour the Lieutenant-Governor, to this House, be taken into consideration To-morrow.

On motion of Mr. Ferguson, seconded by Mr. Henry.

Resolved, That Select Standing Committees of this House, for the present Session, be appointed for the following purposes:—1. On Privileges and Elections; 2. On Railways; 3. On Miscellaneous Private Bills; 4. On Standing Orders; 5. On Public Accounts; 6. On Printing; 7. On Municipal Law; 8. On Legal Bills; 9. On Agriculture and Colonization; 10. On Fish and Game; 11. On Labour; which said Committees shall severally be empowered to examine and enquire into all such matters and things as shall be referred to them by the House, and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Mr. Speaker informed the House, That the Clerk had laid upon the Table:—

A Return from the Records of the By-Elections to the Legislative Assembly held on the 23rd June and 7th July, 1924, showing:—

(1) The number of Votes Polled for each Candidate in each Electoral District in which there was a contest; (2) The majority whereby each successful Candidate was returned; (3) The total number of Votes Polled; (4) The number of Votes remaining Unpolled; (5) The number of names on the Polling Lists; (6) The number of Ballot Papers sent out to each Polling Place; (7) The Used Ballot Papers; (8) The unused Ballot Papers; (9) The Rejected Ballot Papers; (10) The Cancelled Ballot Papers; (11) The Declined Ballot Papers; (12) The Ballot Papers taken from Polling Places; (13) A General Summary of Votes cast in each Electoral District. (*Sessional Papers, No. 44.*)

The House then adjourned at 3.30 p.m.

Wednesday, February 11th, 1925.

PRAYERS.

3.00 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Mewhinney, the Petition of John B. Martyn and others of Ripley.

By Mr. Spence, the Petition of the Corporation of the Municipality of Paipoonge.

By Mr. Keith, the Petition of the Township Council of Etobicoke; also, the Petition of the Township Council of North York; also, the Petition of the Village Council of Forest Hill; also, the Petition of the Township Council of East York.

By Mr. Garden, the Petition of the Hamilton Young Women's Christian Association.

By Mr. Weichel, the Petition of the Evangelical Lutheran Synod of Canada.

By Mr. Nesbitt, three Petitions of the City Council of Toronto; also, the Petition of the Journeyman Barbers' Association of Ontario.

By Mr. Morel, the Petition of the Town Council of North Bay.

By Mr. Owens, the Petition of the Trustees of the Toronto General Burying Ground.

By Mr. Jamieson (Grey), the Petition of the Town Council of Harriston; also, the Petition of the City Council of Owen Sound.

By Mr. Haney, the Petition of the City Council of Sarnia; also, the Petition of John McRobie of Petrolia.

By Mr. MacBride, the Petition of the City Council of Brantford.

By Mr. Ecclestone, the Petition of the Town Council of Gravenhurst.

By Mr. Willson (Niagara Falls), the Petition of the Township Council of Stamford.

By Mr. Wilson (Windsor), the Petition of the Town Council of Ojibway; also, the Petition of the City Council of Windsor; also, the Petition of W. A. Keith and others of Comber; also, the Petition of the Town Council of Walkerville; also, the Petition of the Town Council of Sandwich; also, the Petition of the Town Council of Tecumseh; also, the Petition of the Essex Border Utilities Commission; also, the Petition of the City Council of Windsor and the Water Commission; also, the Petition of the Town Council of Ford City.

By Mr. Graves, the Petition of Mary Catharine Merritt and others of St. Catharines.

By Mr. Mageau, the Petition of the Town Council of Sturgeon Falls.

By Mr. Lang, the Petition of the Town Council of Timmins.

By Mr. Thompson (Lanark), two Petitions of the Town Council of Carleton Place.

By Mr. Brackin, the Petition of the Town Council of Wallaceburg; also, the Petition of W. A. Calder and others of Comber.

The following Bills were severally introduced and read the first time:—

Bill (No. 60), intituled "An Act respecting the Commissioners for the Queen Victoria Niagara Falls Park." Mr. Ferguson.

Ordered, That the Bill be read the second time on Friday next.

Bill (No. 61), intituled "An Act to amend The Temiskaming and Northern Ontario Railway Act." Mr. Ferguson.

Ordered, That the Bill be read the second time on Friday next.

Bill (No. 62), intituled "An Act to establish the Boys Welfare Board of Ontario." Mr. Ferguson.

Ordered, That the Bill be read the second time on Friday next.

Bill (No. 63), intituled "An Act to amend the Natural Gas Conservation Act, 1921." Mr. McCrea.

Ordered, That the Bill be read the second time on Friday next.

Bill (No. 64), intituled "An Act to amend the Public Land Act." Mr. McCrea.

Ordered, That the Bill be read the second time on Friday next.

Bill (No. 65), intituled "An Act to amend the Land Titles Act." Mr. McCrea.

Ordered, That the Bill be read the second time on Friday next.

Bill (No. 66), intituled "An Act to amend the Mining Act of Ontario." Mr. McCrea.

Ordered, That the Bill be read the second time on Friday next.

Bill (No. 67), intituled "An Act to amend the Corporations Tax Act." Mr. Price.

Ordered, That the Bill be read the second time on Friday next.

Bill (No. 68), intituled "An Act to amend the Public Vehicles Act." Mr. Henry.

Ordered, That the Bill be read the second time on Friday next.

Bill (No. 69), intituled "An Act to amend the Local Improvement Act." Mr. Henry.

Ordered, That the Bill be read the second time on Friday next.

The Order of the Day for the Consideration of the Speech of His Honour the Lieutenant-Governor at the opening of the Session having been read,

Mr. Graves moved, seconded by Mr. Fallis,

That an humble Address be presented to His Honour the Lieutenant-Governor, as follows:—

'To His Honour, Henry Cockshutt, Lieutenant-Governor of our Province of Ontario.

We, His Majesty's most dutiful and loyal subjects, the Legislative Assembly of the Province of Ontario, now assembled, beg leave to thank Your Honour for the gracious speech Your Honour has addressed to us.

And a Debate having ensued, it was on the Motion of Mr. Sinclair,

Ordered, That the Debate be adjourned until To-morrow.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Copies of Regulations and Orders-in-Council as required by Section 27 of the Department of Education Act. (*Sessional Papers No. 51.*)

The House then adjourned at 4.55 p.m.

Thursday, February 12th, 1925.

PRAYERS.

3.00 O'CLOCK P.M.

Mr. Speaker presented to the House:—

Report of the Librarian on the state of the Library. (*Sessional Papers, No. 42.*)

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Elliott, the Petition of the City Council of London.

By Mr. Keith, the Petition of the Town Council of Weston.

By Mr. Haney, the Petition of the City Council of Sault Ste. Marie.

The following Bills were severally introduced and read the first time:—

Bill (No. 70), intituled "An Act to amend the Succession Duty Act." *Mr. Price.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 71), intituled "An Act to amend the Agricultural Development Act, 1921." *Mr. Martin.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 72), intituled "An Act to amend the Bills of Sale and Chattel Mortgages Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 73), intituled "An Act to amend the Assignment of Book Debts Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 74), intituled "An Act to amend the Ontario Telephone Act, 1918." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

On motion of *Mr. Ferguson*, seconded by *Mr. Price*,

Ordered, That a Select Committee of Fourteen Members be appointed to prepare and report, with all convenient speed, a list of members to compose the Select Standing Committees ordered by this House, to be composed as follows:—

Messrs. Ferguson, Henry, Price, Black, MacDiarmid, Ireland, Weichel, McKeown, Pinard, Clarke (Northumberland), Mewhinney, Doherty, Biggs and Lethbridge.

On motion of *Mr. Ferguson*, seconded by *Mr. Price*,

Ordered, That a Select Committee of Ten Members be appointed to act with Mr. Speaker in the control and management of the Library, to be composed as follows:—

Messrs. Nickle, Carr, Owens, MacBride, Elliott, Sweet, Belanger, Sangster, Raney and Widdifield.

On motion of *Mr. Ferguson*, seconded by *Mr. Price*,

Ordered, That a Select Committee be appointed to direct the expenditure of any sum set apart by the Estimates for Art purposes, to be composed as follows:—

Messrs. Martin, Goldie, Lewis, Clarke (Brockville), Monteith, Keith, Proulx, Nixon and Bowman.

On motion of *Mr. Ferguson*, seconded by *Mr. Nickle*,

Ordered, That, beginning on Monday next, and on each succeeding Monday for the remainder of the Session, Government business shall be placed upon the Order Paper.

The Order of the Day for resuming the Adjourned Debate on the Motion for the consideration of the Speech of His Honour the Lieutenant-Governor, at the opening of the Session, having been read,

The Debate was resumed,

And after some time,

Mr. Sinclair moved, in amendment, seconded by Mr. Clarke (Northumberland):—

That the following words be added to the Motion:—

"And this House views with disapproval the direct violation of the pledged word of the Prime Minister of Ontario, to the people, by the Government suggesting legislation to amend the 'Ontario Temperance Act.'"

And a Debate having ensued, it was, on the motion of Mr. Raney,

Ordered, That the Debate be adjourned until Tuesday next.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Reports of Municipal Water Works and Gas Systems for 1924. (*Sessional Papers, No. 52.*)

Also—Report of the Provincial Municipal Auditor of Ontario for 1924. (*Sessional Papers, No. 8.*)

Also—Return to an Order of the House, dated 11th April, 1924, that there be laid before this House a Return of all contracts between the Treasury Department and the Provincial Securities Company on the Browning and Harris Company of Hamilton for the purchase of outstanding bonds of the Province of Ontario. (*Sessional Papers, No. 53.*)

Also—Return to an Order of the House, that there be laid before this House a return of copies of all correspondence in connection with the closing and opening of Whitefish Bay in the North Channel opposite Little Current during last ten years. Also, copy of Order-in-Council passed by the late Government dealing with this matter. (*Sessional Papers, No. 54.*)

Also—Return to an Order of the House, that there be laid before this House a return showing the total number of permanent and temporary civil servants on July 15th, 1923, in the pay of the Province. How many have since resigned. How many have since been dismissed or have requested to resign. How many permanent and temporary civil servants have been appointed since that date. (*Sessional Papers, No. 55.*)

Also—Return to an Order of the House, that there be laid before this House a return of the Legislative grants for the year 1924 paid to Rural Public and Separate Schools in the Counties and Districts and to Urban Public and Separate Schools in the Counties and Districts which in accordance with the provisions of the Amendment to the Schools Act passed in 1922 were classed as Rural Schools and received grants as such. (*Sessional Papers, No. 56.*)

The House then adjourned at 5.15 p.m.

Friday, February 13th, 1925.

PRAYERS.

3.00 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Lewis, the Petition of the Reverend Alfred W. Roffe and others of Toronto.

By Mr. Keith, the Petition of the Township Council of York.

By Mr. Keefer, the Petition of the Municipality of Shuniah.

By Mr. Fisher, two Petitions of the City Council of Ottawa.

The following Petitions were read and received:—

Of John B. Martyn and others of Ripley, praying that an Act may pass to incorporate the Village of Ripley.

Of the Corporation of the Municipality of Paipoonge, praying that an Act may pass to validate and confirm all assessment and collectors' rolls, tax sales and deeds of the Corporation.

Of the Township Council of Etobicoke, praying that an Act may pass to enable the Corporation to require the installation of sanitary conveniences; to authorize and confirm assessments for waterworks and for other purposes.

Of the Township Council of North York, praying that an Act may pass to authorize the division of the Township into wards, and to validate and confirm a certain agreement.

Of the Village Council of Forest Hill, praying that an Act may pass empowering the Council of the Village to combine the offices of Collector and Treasurer; to sell land for taxes and for other purposes.

Of the Hamilton Young Women's Christian Association, praying that an Act may pass to amend Act relating to.

Of the Evangelical Lutheran Synod of Canada, praying that an Act may pass to amend the Act incorporating the Synod.

Of the City Council of Toronto, praying that an Act may pass authorizing the issue of City of Toronto General Consolidated Loan Debentures and for other purposes.

Of the City Council of Toronto, praying that an Act may pass authorizing the issue of Debentures.

Of the Town Council of North Bay, praying that an Act may pass to incorporate the City of North Bay.

Of the Trustees of the Toronto General Burying Grounds, praying that an Act may pass empowering them to acquire and hold lands in the County of York.

Of the Town Council of Harriston, praying that an Act may pass to ratify and confirm By-law No. 567.

Of the City Council of Owen Sound, praying that an Act may pass to ratify and confirm a certain By-law.

Of John McRobie of Petrolia, praying that an Act may pass permitting him to be registered as an optometrist.

Of the City Council of Sarnia, praying that an Act may pass limiting the number of Aldermen to eight members and for other purposes.

Of the City Council of Brantford, praying that an Act may pass to ratify and confirm a certain By-law and for other purposes.

Of the Town Council of Gravenhurst, praying that an Act may pass to consolidate their floating debt.

Of the Township Council of Stamford, praying that an Act may pass to ratify and confirm certain agreements.

Of the Town Council of Ojibway, praying that an Act may pass providing for the separation of the Corporation of the Town from the County of Essex for Municipal purposes.

Of the City Council of Windsor, praying that an Act may pass to ratify and confirm a certain By-law.

Of W. A. Keith and others of Comber, praying that an Act may pass to incorporate the Village of Comber.

Of the Town of Walkerville, praying that an Act may pass to validate a certain By-law for the raising of certain moneys.

Of the Town Council of Sandwich, praying that an Act may pass to validate a By-law for the construction of sewers.

Of the Town Council of Tecumseh, praying that an Act may pass to provide for the separation of the Town from the County of Essex for Municipal purposes.

Of the Essex Border Utilities Commission, praying that an Act may pass to ratify and confirm a certain By-law and for other purposes.

Of the City Council of Windsor and the Water Commissioners, praying that an Act may pass to amend Chapter 58 of 61 Vic. and Chapter 128 of 11 Geo. V relating to.

Of the Town of Ford City, praying that an Act may pass to provide for the separation of, from the County of Essex for Municipal purposes.

Of Mary Catharine Merritt and others of St. Catharines, praying that an Act may pass to confirm an agreement of compromise *re* the Estate of the late Thomas Nihan.

Of the Town Council of Sturgeon Falls, praying that an Act may pass to ratify and confirm certain By-laws.

Of the Town Council of Timmins, praying that an Act may pass to ratify and confirm a certain By-law.

Of the Town Council of Carleton Place, praying that an Act may pass to enable the Corporation to fix price, rate or rent of lot or house through which water pipes shall run and to collect the same.

Of the Town Council of Carleton Place, praying that an Act may pass to consolidate floating indebtedness and to issue debentures.

Of the Town Council of Riverside, praying that an Act may pass to provide for the separation from County of Essex for Municipal purposes.

Of the Town Council of Wallaceburg, praying certain amendments to the Municipal Act.

Of the City Council of Toronto, praying that an Act may pass to amend Act relating to the City Gas Company.

Of the Township Council of East York, praying that an Act may pass to ratify and confirm certain By-laws and for other purposes.

Of the Journeymen Barbers' Federation of Ontario, praying that an Act may pass to incorporate them.

Of W. A. Calder and others of Comber, praying that the Bill before the House to incorporate the Village of Comber may not pass.

The following Bills were severally introduced and read the first time:—

Bill (No. 75), intituled "An Act respecting the Registry Offices for the City of Kingston and the County of Frontenac." *Mr. Nickle.*

Ordered, That the Bill be read the second time on Tuesday next.

Bill (No. 76), intituled "An Act for the control and eradication of the European Corn Borer." *Mr. Martin.*

Ordered, That the Bill be read the second time on Tuesday next.

Bill (No. 77), intituled "An Act to amend the Act respecting the suppression of Foul Brood among Bees." *Mr. Martin.*

Ordered, That the Bill be read the second time on Tuesday next.

Bill (No. 78), intituled "An Act to amend the Provincial Land Tax Act, 1924." *Mr. Lyons.*

Ordered, That the Bill be read the second time on Tuesday next.

Mr. Fisher asked the following Question:—

1. Has a Controller of Finance been appointed. 2. If so, what is his name. 3. When was he appointed. 4. What is his annual salary. 5. What are his duties. 6. What was his occupation prior to his appointment.

To which the Provincial Treasurer replied in the words following:—

1. Yes. 2. Frank Martin Turnbull. 3. December 18th, 1924. 4. \$6,000.00. 5. To act as Assistant Treasurer of the Province and to carry out such further duties as Financial Controller as may be submitted to him by the Treasurer and the Government. 6. Chartered Accountant and Comptroller of Finance.

Mr. Proulx asked the following Question:—

1. What are the names of all the Solicitors employed in the Legal Department of the Ontario Hydro-Electric Power Commission. 2. What are the respective positions held by each. 3. What is the date of the appointment of each to such position. 4. By whom are the amounts of said salaries fixed. 5. What is the annual salary paid to each. 6. Upon whose recommendation was the appointment of each made.

And the Premier replied in the words following:—

1. I. B. Lucas, K.C., General Solicitor, appointed October, 1921, on the recommendation of the Chairman of the Commission; F. C. S. Evans, in special charge of litigation, appointed September, 1923, on the recommendation of the General Solicitor; W. G. Hanna, right-of-way and contracts, appointed January, 1921, on the recommendation of the Secretary, W. W. Pope; H. A. C. Bruels, right-of-way and titles, appointed May, 1921, on the recommendation of the Secretary, W. W. Pope; W. T. Carroll, right-of-way, appointed temporarily June, 1924, on the recommendation of E. A. Hugill of the Right-of-way Depart-

ment. 2 and 3. Answered by the reply to Question No. 1. 4. The Commission fixed all salaries except that of W. T. Carroll, who is on the temporary staff and whose salary was fixed by E. A. Hugill, the officer in charge of right-of-way. 5. I. B. Lucas, \$10,200; F. C. S. Evans, \$3,600; W. G. Hanna, \$3,900; H. A. C. Bruels, \$3,600; W. T. Carroll, \$1,800. 6. Answered by reply to Question No. 1.

Mr. Bragg asked the following Question:—

1. How many members constitute the full Hydro-Electric Power Commission for Ontario. 2. Who are the present members. 3. When was J. G. Ramsden dismissed from the position of a Commissioner. 4. Has any person since been appointed to take his place. 5. Why has no appointment been made to bring the Commission up to its full membership. 6. Is it the intention of the Government to appoint a third Commissioner. 7. When will the appointment be made.

And the Premier replied in the words and figures following:—

1. Three. 2. Sir Adam Beck and the Honourable John Robert Cooke. 3. July 24th, 1923. 4. No. 5. This question involves a declaration of public policy and is therefore irregular. 6 and 7. Answered by the reply to Question No. 5.

Mr. Lang asked the following Question:—

1. Who are the members of the Statute Revision Commission. 2. When were they appointed. 3. What are its duties. 4. What are its powers. 5. Has it authority to suggest amendments to existing legislation. 6. Has it authority to recommend new legislation. 7. If so, are those recommendations to be in Statute form when made. 8. By what authority does it hear recommendations as to changes in the law.

To which the Attorney-General replied as follows:—

1. The Honourable William Edward Middleton, the Honourable William Nassau Ferguson, the Honourable Hugh Thomas Kelly, the Honourable Robert Smith, Judges of the Supreme Court of Ontario; His Honour, James Gamble Wallace, Judge of the County Court of the County of Oxford; the Honourable the Attorney-General for the Province of Ontario; Kenneth McKay, Editor, of the City of St. Thomas; Allan Malcolm Dymond, K.C.; Edward Bayly, K.C.; William Bruce Wilkinson, K.C. 2. October 30th, 1924. 3. The above named were appointed: "Commissioners for consolidating the Statutes of the Province, and that the said Commissioners, or any three of them, do from time to time, report to the Lieutenant-Governor in Council their proceedings, and the progress of their work, and in particular what amendments, if any, should be made in matters of form to insure uniformity of language, or to remove

inconsistencies, or for any other reason, and also what changes, if any, in the law should be made in the public interest." 4, 5, 6. Answered by the reply to No. 3. 7. The Commissioners' report will be in the form of recommendations. 8. Under the authority of the Lieutenant-Governor in Council.

Mr. Mewhinney asked the following Question:—

1. What is the amount of money paid by the Province of Ontario for maintenance purposes on account of highways in the Province of Ontario during the last fiscal year. 2. To what classes of highways was this applied. 3. What was the amount paid in respect of each such class.

And the Minister of Highways replied in the words and figures following:—

1. \$2,464,995.22. 2. Provincial Highways, County roads, Township roads. 3. Provincial highways, \$1,165,390.45; County roads, \$955,550.13; Township roads, \$344,054.64—\$2,464,995.22.

Mr. Homuth asked the following Question:—

1. Is J. P. Jaffray of Galt still in the service of the Government. 2. If not, when were his services dispensed with. 3. What was the total cost to the Province of his office overseas. 4. How many immigrants were brought into Ontario as a result of his work overseas. 5. How many went on farms and stayed on them.

And the Minister of Agriculture replied in the words and figures following:—

1. No. 2. Mr. Jaffray was engaged for a temporary period and his services terminated on December 15th, 1924. 3. Mr. Jaffray received \$3,025.55 in salary and travelling expenses. 4. It is not possible to determine the number of immigrants resulting from any individual effort or individual action. 5. Answered by No. 4.

The Provincial Secretary presented to the House:

Return to an Order of the House, dated April 11th, 1924, that there be laid before this House a Return, down to the date thereof, of:—(a) All correspondence between the Government or any Member thereof, and any person, or organization favouring the submission to the electors of Ontario of a plebiscite, or referendum, on the Ontario Temperance Act or the liquor question and all resolutions or petitions received by the Government or any Member thereof favouring such a submission, and (b) all correspondence between the Government or any Member thereof and any person or organization opposing such a submission. (*Sessional Papers, No. 57.*)

On motion of Mr. Ferguson, seconded by Mr. Henry,

Ordered, That when this House adjourns To-day, it do stand adjourned until Tuesday next, the 17th instant, at three of the clock in the afternoon.

The House then adjourned at 3.30 p.m.

Tuesday, February 17th, 1925.

PRAYERS.

3.00 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Fisher, the Petition of St. Patrick's Asylum, Ottawa.

By Mr. Vaughan, the Petition of the Town Council of Sudbury.

By Mr. Homuth, the Petition of the City Council of Galt.

By Mr. Kennedy (Timiskaming), the Petition of the Town Council of Kapuskasing.

The following Petitions were read and received:—

Of the City Council of London, praying that an Act may pass to authorize the Council to guarantee payment to the extent of \$50,000 by the London Railway Commission and for other purposes.

Of the Town Council of Weston, praying that an Act may pass empowering the Town to purchase a portion of the Toronto Suburban Line and for other purposes.

Of the City Council of Sault Ste. Marie, praying that an Act may pass to ratify and confirm certain By-laws.

Of the Reverend Alfred W. Roffe and others of Toronto, praying that an Act may pass to incorporate the Christian and Missionary Alliance in Canada.

Of the Township Council of York, praying that an Act may pass authorizing the Council to enter into agreements for the purchase of the Toronto Suburban Road on Weston Road and for other purposes.

Of the City Council of Ottawa, praying that an Act may pass to authorize the issue of debentures and for other purposes.

Of the City Council of Ottawa, praying that an Act may pass to incorporate the Ottawa Charitable Foundation.

Of the Municipality of Shuniah, praying that an Act may pass to validate and confirm all tax sales and deeds prior to 31st December, 1923, and to amend Act organizing municipality.

The following Bills were severally introduced and read the first time:—

Bill (No. 79), intituled "An Act to amend the Prisons and Public Charities Inspection Act." *Mr. Goldie.*

Ordered, That the Bill be read the second time to-morrow.

Bill (No. 80), intituled "An Act respecting the Adoption of Children." *Mr. Goldie.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 81), intituled "An Act to authorize a Special Rate for Works Undertaken to Relieve Unemployment." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

The Order of the Day for resuming the Adjourned Debate on the Motion for the consideration of the Speech of His Honour the Lieutenant-Governor, at the opening of the Session, having been read,

The Debate was resumed,

And after some time,

Mr. Raney moved, in amendment to the amendment, seconded by Mr. Lethbridge,

That in the place of the words proposed by the amendment, the following words be added to the Address to be presented to His Honour the Lieutenant-Governor:—

"But with great respect, we regret the inclusion in the Speech from the Throne of an intimation that it is the intention of the Government to amend the Ontario Temperance Act by enacting that liquor with an absolute alcoholic content by volume of more than two and a half per cent. shall be conclusively deemed to be intoxicating and we venture the hope that the Government may give reconsideration to the expressed intention in this regard."

And a Debate arising, it was, on the motion of Mr. Heenan,

Ordered, That the Debate be adjourned until To-morrow.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Statement and report of the Ontario Athletic Commission and of the Auditor thereof for the year ending October 31st, 1924. (*Sessional Papers, No. 58.*)

The House then adjourned at 10.15 p.m.

Wednesday, February 18th, 1925.

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Nesbitt, the Petition of J. A. Worrell and others of Toronto.

By Mr. Rankin, the Petition of the Presbyterian Church in Canada and other Churches.

The Order of the Day for resuming the Adjourned Debate on the Motion for the consideration of the Speech of His Honour the Lieutenant-Governor, at the opening of the Session, having been read,

Mr. Speaker rose in response to the point of order raised by the member for Prescott and decided as follows:—

With regard to the point of order raised by the Honourable Member for Prescott, namely, that the proposed motion of the Honourable the Member for East Wellington was not an amendment to the amendment, my ruling is that, strictly speaking, the point of order is well taken in that the motion in terms strikes out the whole of the amendment and proposes to substitute something in lieu of it. This, in our practice, is not an amendment to the amendment.

The Honourable Member for East Wellington can easily put himself in order by putting in one or two words of the amendment for the purpose of his own Motion, and I will allow this to be done in view of the fact that it is only a matter rather of form than of substance.

And the following is suggested:—

That all the words in the Amendment after the word "motion" be omitted and the following be substituted therefor:—

"but with great respect we regret the inclusion in the Speech from the Throne of an intimation that it is the intention of the Government to amend the Ontario Temperance Act by enacting that liquor with an absolute alcoholic content by volume of more than two and a half per cent. shall be conclusively deemed to be intoxicating, and we venture the hope that the Government may give reconsideration to its expressed intention in this regard."

The Debate was then resumed.

And after some time, it was, on the motion of Mr. Kemp,

Ordered, That the Debate be further adjourned until To-morrow.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Report of the Commissioner under the Extramural Employment of Sentenced Persons Act, 1921. (*Sessional Papers*, No. 59.)

Also—Report of the Ontario Parole Board for the year ending October 31st, 1924. (*Sessional Papers*, No. 22.)

The House then adjourned at 5.55 p.m.

Thursday, February 19th, 1925.

PRAYERS.

3 O'CLOCK P.M

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Proulx, Two Petitions of the Town Council of Hawkesbury.

The following Petitions were read and received:—

Of St. Patrick's Asylum, Ottawa, praying that an Act may pass to amend Act of incorporation.

Of the Town Council of Sudbury, praying that an Act may pass to ratify and confirm a certain By-law.

Of the City Council of Galt, praying that an Act may pass enabling the Corporation to assess one-half the cost of construction of pavement upon lots abutting on same.

Of the Town Council of Kapuskasing, praying that an Act may pass to ratify and confirm a certain By-law and certain assessments and debentures.

Mr. Henry, from the Select Committee appointed to prepare and report with all convenient speed lists of members to compose the Select Standing Committees ordered by this House, begs leave to present the following lists as their Report:—

COMMITTEE ON STANDING ORDERS.

Messrs. Acres, Armstrong, Belford, Berry, Biggs, Brackin, Doherty, Edwards, Freeborn, Graves, Hambly, Haney, Hill, Hillmer, Irvine, Jamieson (Simcoe West), Johnston, Lang, Lewis, McKeown, McKnight, McBrien, Martin, Nixon, Oakley, Owens, Patterson, Pinard, Proulx, Raney, Sinclair, Stedman, Stuart, Sweet, Trewartha, Vaughan, Wallis, Weichel, Widdifield, Wilson (Windsor)—39.

The Quorum of said Committee to consist of seven Members.

COMMITTEE ON PRIVATE BILLS.

Honourable Mr. Ferguson, Messrs. Armstrong, Beck, Belanger, Berry, Black, Brackin, Bradburn, Bragg, Callan, Carmichael, Chambers (Wellington), Chambers (Oxford), Clarke (Brockville), Clarke (Northumberland), Cooke, Currie, Doherty, Ecclestone, Edwards, Elliott, Fallis, Fenton, Finlayson, Fisher, Garden, Gray, Graves, Haney, Harcourt, Henry, Hillmer, Homuth, Ireland, Joynt, Keefer, Keith,

Kemp, Kennedy (Peel), Lang, Lethbridge, Lewis, McBrien, McCausland, McCrea, McKeown, Macdiarmid, Mageau, Mahoney, Mark, Martin, Mewhinney, Milligan, Morel, Nesbitt, Nickle, Oakley, Oke, Owens, Pinard, Price, Proulx, Raney, Rankin, Ross, Rowe, Sewell, Sinclair, Spence, Sweet, Taylor, Thompson (Lanark), Trewartha, Vaughan, Wallis, Weichel, Widdifield, Wigle, Wilson (Windsor), Willson (Niagara Falls)—79.

The Quorum of said Committee to consist of nine Members.

COMMITTEE ON RAILWAYS.

Honourable Mr. Ferguson, Messrs. Acres, Beck, Belford, Berry, Biggs, Black, Bowman, Bradburn, Callan, Carty, Chambers (Wellington), Clarke (Brockville), Clarke (Northumberland), Collier, Currie, Ecclestone, Fallis, Fenton, Fisher, Gray, Hambly, Haney, Harcourt, Heenan, Hillmer, Ireland, Irvine, Jamieson (Simcoe), Joynt, Keith, Kennedy (Temiskaming), Kennedy (Peel), Lang, Lyons, McBrien, McCallum, McCrea, McKnight, Macdiarmid, Mageau, Mark, Mewhinney, Milligan, Monteith, Morel, Nesbitt, Nickle, Oakley, Oke, Owens, Patterson, Pinard, Price, Proulx, Ross, Sangster, Sewell, Spence, Stuart, Sweet, Taylor, Vaughan, Wallis, Wilson (Windsor), Willson (Niagara Falls), Wright—67.

The Quorum of said Committee to consist of nine Members.

COMMITTEE ON MUNICIPAL LAW.

Honourable Mr. Ferguson, Messrs. Acres, Armstrong, Beck, Belanger, Belford, Berry, Biggs, Black, Brackin, Bradburn, Bragg, Callan, Carty, Carr, Chambers (Wellington), Clarke (Brockville), Cooke, Currie, Ecclestone, Elliott, Fenton, Finlayson, Fisher, Freeborn, Garden, Godfrey, Goldie, Gray, Graves, Henry, Hill, Hillmer, Homuth, Ireland, Jamieson (Grey), Jamieson (Simcoe), Keefer, Kemp, Kennedy (Peel), Lang, Lethbridge, Lewis, Lyons, McBrien, McCallum, McCausland, McCrea, McKeown, McKnight, MacBride, Mageau, Martin, Mewhinney, Monteith, Nesbitt, Nickle, Nixon, Oakley, Oke, Owens, Patterson, Pinard, Price, Proulx, Raney, Rankin, Ross, Rowe, Sewell, Sinclair, Stedman, Stuart, Tellier, Thompson (Lanark), Trewartha, Vaughan, Wallis, Weichel, Wigle, Wilson (Windsor), Wright—82.

The Quorum of said Committee to consist of nine Members.

COMMITTEE ON AGRICULTURE AND COLONIZATION.

Honourable Mr. Ferguson, Messrs. Acres, Armstrong, Beck, Belanger, Belford, Black, Bowman, Bragg, Callan, Carty, Chambers (Wellington), Chambers (Oxford), Collier, Cooke, Doherty, Ecclestone, Elliott, Fallis, Fenton, Godfrey, Goldie, Gray, Hambly, Henry, Hill, Hillmer, Irvine, Jamieson (Grey), Jamieson (Simcoe), Johnston, Joynt, Keith, Kemp, Kennedy (Temiskaming), Kennedy (Peel), Lang, McCallum, McKnight, Macdiarmid, Mageau, Mahoney, Mark, Martin, Mewhinney, Morel, Nixon, Oke, Patterson, Proulx, Rankin, Ross, Rowe, Sangster, Sewell, Stedman, Stuart, Taylor, Tellier, Thompson (Lanark), Trewartha, Vaughan, Wallis, Weichel, Widdifield, Wigle, Wright—67.

The Quorum of said Committee to consist of nine Members.

COMMITTEE ON PUBLIC ACCOUNTS.

Honourable Mr. Ferguson, Messrs. Acres, Beck, Belanger, Belford, Berry, Biggs, Black, Bradburn, Carmichael, Carr, Clarke (Brockville), Clarke (Northumberland), Currie, Doherty, Ecclestone, Edwards, Elliott, Finlayson, Fisher, Freeborn, Garden, Godfrey, Graves, Haney, Harcourt, Heenan, Henry, Hill, Hillmer, Homuth, Ireland, Jamieson (Grey), Keefer, Keith, Kemp, Kennedy (Temiskaming), Lang, Lethbridge, Lewis, Lyons, McCausland, McCrea, McKeown, MacBride, Mageau, Morel, Nesbitt, Nickle, Nixon, Oakley, Oke, Owens, Patterson, Price, Proulx, Raney, Rankin, Sinclair, Tellier, Thompson (Lanark), Vaughan, Wallis, Weichel, Widdifield, Wigle, Wilson (Windsor)—67.

The Quorum of said Committee to consist of seven Members.

COMMITTEE ON PRIVILEGES AND ELECTIONS.

Honourable Mr. Ferguson, Messrs. Bradburn, Carmichael, Carr, Currie, Doherty, Ecclestone, Elliott, Fisher, Freeborn, Garden, Goldie, Graves, Haney, Heenan, Keefer, Keith, Kemp, Lang, Lethbridge, Lewis, Lyons, McCausland, McCrea, McKeown, MacBride, Macdiarmid, Mageau, Milligan, Morel, Nesbitt, Nickle, Oakley, Owens, Pinard, Price, Proulx, Raney, Sinclair, Thompson (Lanark), Trewartha—41.

The Quorum of said Committee to consist of nine Members.

COMMITTEE ON FISH AND GAME.

Honourable Mr. Ferguson, Messrs. Armstrong, Belford, Black, Bowman, Bradburn, Callan, Clarke (Northumberland), Collier, Cooke, Currie, Ecclestone, Fenton, Finlayson, Garden, Goldie, Graves, Gray, Hambly, Haney, Harcourt, Hill, Homuth, Ireland, Jamieson (Grey), Keefer, Keith, Kennedy (Temiskaming), Lang, Lyons, McCrea, McKeown, McKnight, Macdiarmid, Mageau, Mark, Martin, Mewhinney, Morel, Oke, Pinard, Price, Ross, Spence, Stuart, Taylor, Tellier, Thompson (Lanark), Vaughan, Wallis, Weichel, Widdifield, Wigle, Willson (Niagara Falls), Wright—52.

The Quorum of said Committee to consist of seven Members.

COMMITTEE ON LEGAL BILLS.

Honourable Mr. Ferguson, Messrs. Biggs, Brackin, Finlayson, Fisher, Haney, Keefer, McBrien, McCrea, McKeown, MacBride, Milligan, Nesbitt, Nickle, Nixon, Owens, Price, Proulx, Raney, Sinclair, Wilson (Windsor)—21.

The Quorum of said Committee to consist of five Members.

COMMITTEE ON LABOUR.

Honourable Mr. Ferguson, Messrs. Berry, Bradburn, Callan, Carr, Garden, Godfrey, Heenan, Homuth, Keith, Lang, McCallum, MacBride, Nesbitt, Oakley, Pinard, Sangster, Spence, Vaughan, Weichel, Wright—21.

The Quorum of said Committee to consist of seven Members.

COMMITTEE ON PRINTING.

Honourable Mr. Ferguson, Messrs. Biggs, Carr, Currie, Fallis, Freeborn, Gray, Heenan, Irvine, Jamieson (Grey), Lang, Lewis, MacBride, Price, Proulx, Sinclair, Stedman, Thompson (Lanark), Wigle, Willson (Niagara Falls)—20.

The Quorum of said Committee to consist of five Members.

Resolved, That this House doth concur in the foregoing Report.

The following Bills were severally read the second time:—

Bill (No. 60), respecting the Commissioners for the Queen Victoria Niagara Falls Park.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 61), To amend the Temiskaming and Northern Ontario Railway Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 62), To establish the Boys' Welfare Board of Ontario.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 68), To amend the Public Vehicles Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 69), To amend the Local Improvement Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 71), To amend the Agricultural Development Act, 1921.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 72), To amend the Bills of Sale and Chattel Mortgages Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 73), To amend the Assignment of Book Debts Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 74), To amend the Ontario Telephone Act, 1918.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 75), Respecting the Registry Offices for the City of Kingston and the County of Frontenac.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 78), To amend the Provincial Land Tax Act, 1924.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 80), Respecting the Adoption of Children.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 81), To authorize a Special Rate for Works Undertaken to Relieve Unemployment.

Referred to a Committee of the Whole House To-morrow.

The Order of the Day for resuming the Adjourned Debate on the Motion for the consideration of the Speech of His Honour the Lieutenant-Governor, at the opening of the Session, having been read,

The Debate continued, and, after some time, it was on the motion of Mr. Sinclair,

Ordered, That the Debate be further adjourned until To-morrow.

The House then adjourned at 10.35 p.m.

Friday, February 20th, 1925.

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Sinclair, the Petition of the City Council of Oshawa.

By Mr. McCausland, the Petition of Saint Michael's Cemetery, Toronto.

By Mr. Keefer, the Petition of Charles W. Cox and others of Port Arthur.

The following Petitions were read and received:—

Of J. A. Worrell and others of Toronto, praying that an Act may pass to incorporate the Anglican Church Mutual Fire Insurance Company.

Of the Presbyterian Church in Canada and other churches, praying that an Act may pass to unite, to form one body under the name of The United Church of Canada.

Mr. Lewis from the Standing Committee on Standing Orders presented their First Report, which was read as follows and adopted:

Your Committee have carefully examined the following Petitions and find the Notices as published in each case sufficient.

Of the Corporation of the Municipality of Paipoonge praying that an Act may pass to validate and confirm all assessment rolls and collectors rolls, tax sales and deeds of the corporation;

Of the Hamilton Young Women's Christian Association, praying that an Act may pass to amend Act relating to;

Of the City Council of Toronto praying that an Act may pass authorizing the issue of City of Toronto general consolidated loan debentures and for other purposes;

Of the Town Council of North Bay, praying that an Act may pass to incorporate the City of North Bay;

Of the Town Council of Harriston, praying that an Act may pass to ratify and confirm by-law No. 567;

Of John McRobie of Petrolia, praying that an Act may pass permitting him to be registered as an optometrist;

Of the Town Council of Ojibway, praying that an Act may pass providing for the separation of the Corporation of the Town from the County of Essex for municipal purposes;

Of the City Council of Windsor, praying that an Act may pass to ratify and confirm a certain by-law;

Of W. A. Keith and others of Comber, praying that an Act may pass to incorporate the Village of Comber;

Of the Rev. Alfred W. Roffe and others of Toronto, praying that an Act may pass to incorporate the Christian and Missionary Alliance in Canada.

Of John B. Martyn and others of Ripley, praying that an Act may pass to incorporate the Village of Ripley;

Of St. Patrick's Asylum, Ottawa, praying that an Act may pass to amend Act of incorporation;

Of the Town Council of Kapuskasing, praying that an Act may pass to ratify and confirm a certain by-law and certain assessments and debentures;

Of the trustees of the Toronto General Burying Grounds, praying that an Act may pass empowering them to acquire and hold lands in the County of York;

Your Committee recommend that Rule No. 51 of Your Honourable House be suspended in this that the time for presenting Petitions for private Bills be extended until and inclusive of Friday, the sixth day of March next.

Ordered, That the time for presenting Petitions for private Bills be extended until and inclusive of Friday, the sixth day of March next.

The following Bills were severally introduced and read the first time:—

Bill (No. 1), intituled "An Act respecting the Corporation of the Municipality of Paipoonge." *Mr. Spence.*

Referred to the Committee on Private Bills.

Bill (No. 2), intituled "An Act to incorporate the Village of Ripley." *Mr. Mewhinney.*

Referred to the Committee on Private Bills.

Bill (No. 3), intituled "An Act to separate the Town of Ojibway from the County of Essex for municipal purposes." *Mr. Wilson* (Windsor).

Referred to the Committee on Private Bills.

Bill (No. 4), intituled "An Act respecting the City of Windsor." *Mr. Wilson* (Windsor).

Referred to the Committee on Private Bills.

Bill (No. 7), intituled "An Act to confirm By-law No. 567 of the Town of Harriston." *Mr. Jamieson* (Grey).

Referred to the Committee on Private Bills.

Bill (No. 8), intituled "An Act to amend an Act respecting the Hamilton Young Women's Christian Association." *Mr. Garden*.

Referred to the Committee on Private Bills.

Bill (No. 9), intituled "An Act to incorporate the City of North Bay." *Mr. Morel*.

Referred to the Committee on Private Bills.

Bill (No. 10), intituled "An Act respecting the City of Toronto." *Mr. Nesbitt*.

Referred to the Committee on Private Bills.

Bill (No. 15), intituled "An Act to authorize the trustees of the Toronto General Burying Grounds to acquire and hold additional lands in the County of York." *Mr. Owens*.

Referred to the Committee on Private Bills.

Bill (No. 17), intituled "An Act to incorporate the Village of Comber." *Mr. Wilson* (Windsor).

Referred to the Committee on Private Bills.

Bill (No. 26), intituled "An Act to authorize John McRobie to make application to practise Optometry." *Mr. Haney*.

Referred to the Committee on Private Bills.

Bill (No. 82), intituled "An Act to amend the Consolidated Municipal Act." *Mr. McBrien*.

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 83), intituled "An Act to amend the Assessment Act." *Mr. McBrien.*

Ordered, That the Bill be read the second time on Monday next.

Mr. Nixon asked the following Question:—

1. What was the cost of the Commission to inquire into the Settell charges against the Hydro-Electric Power Commission. 2. Has the cost of this inquiry been paid by the Province or by the Hydro-Electric Power Commission.

And the Premier replied as follows:—

1. Approximately \$4,408.74. 2. The cost of the inquiry has not been paid, but will be paid by the Hydro-Electric Power Commission.

Mr. Carty asked the following Question:—

1. What private apartments are still maintained in the Provincial Parliament Buildings. 2. How much money has been expended on these apartments by the present Government. 3. How much for redecorations. 4. How much for furniture, rugs, etc.

To which the Minister of Public Works replied as follows:—

1. Housekeeper, Speaker, Sergeant-at-Arms. 2. \$2,272.54. 3. \$1,085. 4. \$467.37.

Mr. Kemp asked the following Question:—

1. What is the salary of the Chairman of the Hydro-Electric Power Commission. 2. What is the salary of Mr. Cooke, the other Commissioner. 3. What other salaries or indemnities are these gentlemen in receipt of.

And the Premier replied in the words and figures following:—

1. \$18,000 *per annum*. 2. \$6,000 *per annum*. 3. The Government is not aware of the payment of any other salaries or indemnities, except the Sessional indemnity payable to the Chairman and the Commissioner as members of the Legislative Assembly.

Mr. Mageau asked the following Question:—

1. Who is the Deputy Provincial Secretary. 2. Was he ever in the service before. 3. If so, what was his position. 4. Was he dismissed or did he resign. 5. When did he leave the service. 6. What are his duties. 7. What is his salary. 8. What was his occupation prior to his appointment.

To which the Provincial Secretary replied in the words and figures following:

1. H. M. Robbins. 2. Yes. 3. Assistant Deputy Minister in the Department of Lands and Forests. 4. Resigned. 5. August 31, 1920. 6. To act as the deputy head in the Department of the Provincial Secretary. 7. \$4,200 *per annum*. 8. Bank manager.

Mr. Wallis asked the following Question:—

1. What has been the cost to the Province of the Legislative Secretary for Northern Ontario since his appointment. 2. What has been paid by the Province in addition to salary in connection with said office, including all work and services in connection therewith by the Legislative Secretary, his assistant or assistants.

And the Minister of Lands and Forests replied in the figures following:—

1. \$13,543.27. 2. \$4,043.27.

Mr. Sewell asked the following Question:—

What has been the revenue to the Province from the tax on race track wagers for each of the fiscal years during which such tax has been collected.

And the Provincial Treasurer replied in the words and figures following:—

1922, \$2,212,220. 1923, \$1,821,963.72. 1924, \$1,825,039.40, of which \$30,986.85 remained uncollected at the end of the fiscal year.

Mr. Sangster asked the following Question:—

1. Has Mr. Keefer power by virtue of his office to spend public money. 2. Does he recommend the expenditure of public money. 3. If so, does the expenditure come through the Minister or through the Northern Development Branch. 4. Has any expenditure been made on his recommendation. 5. If so, how much and what for.

And the Minister of Lands and Forests replied in the words following:—

1. No. 2. From time to time he makes suggestions or his advice is sought by the departments in reference to problems of public interest in the locality. 3. All expenditures come through the Ministers. 4. Answered by 2 and 3. 5. Answered by 2 and 3.

Mr. Sewell asked the following Question:—

What has been the revenue to the Province from the tax on racing associations for each of the fiscal years during which such tax has been in existence.

And the Provincial Treasurer replied in the figures following:—

1911.....	\$15,790.25
1912.....	17,290.25
1913.....	17,200.00
1914.....	42,250.00
1915.....	42,350.00
1916.....	136,265.00
1917.....	100,723.50
1918.....	160.00
1919.....	100.00
1920.....	770,410.00
1921.....	770,440.00
1922.....	769,910.48
1923.....	670,774.53
1924.....	848,495.00
Total.....	\$4,202,159.01

Mr. Heenan asked the following Question:—

1. Is the Government cognizant of the serious extent of unemployment. 2. Is it the intention of the Provincial Government to undertake the proposed erection of buildings in Queen's Park. 3. If so, what is the reason the work of erection has not been started. 4. Has the Provincial Government devised means to provide immediate work for the unemployment. 5. Has the Government formulated any plans to provide work for unemployed women and girls. 6. Is it the intention of the Government to grant representation to the Unemployed Association of Canada on the Committee authorized to distribute any sums of money appropriated for the relief of unemployment.

To which the Minister of Public Works replied in the words following:—

1. Yes. 2. This work is now being proceeded with. 3. Answered by number 2. 4. The Ontario Government is operating twenty-five employment offices throughout the Province and is undertaking other necessary public works, including the maintenance and repair work on buildings, etc., hydro development and highway maintenance, and is prepared to make payment of one-third of the excess cost of useful public works undertaken by municipal corporations for the alleviation of unemployment. 5. As far as possible work is being provided for unemployed women and girls through the employment offices. In the larger centres separate departments for women and girls are maintained in these offices. 6. No.

Mr. Taylor asked the following Question:—

1. Is the Honourable Member for East Hamilton (Minister without Portfolio) still a member of the Government. 2. Did he attend a meeting of Conservative members of the House at the King Edward Hotel, Toronto, on Saturday, the 7th day of February, instant. 3. Did he, speaking at that meeting, use the following language or language substantially the equivalent thereof:—

"I have not resigned. But if it comes to an issue whether I will remain a member of the Government or whether I will stay with this group and support what you are trying to bring about, I will be with you."

And the Premier replied in the words following:—

1. Yes. 2. He met with some others at the King Edward Hotel not on Saturday 7th, but on Tuesday, 3rd instant. 3. No.

On motion of Mr. Sinclair, seconded by Mr. Clarke (Northumberland),

Ordered, That there be laid before this House a Return showing: 1. What was the maximum available supply of electric power in each of the systems, Niagara System, St. Lawrence System, Rideau System, Ottawa System and the Central Ontario and Trent System as operated under the Hydro-Electric Power Commission for Ontario in each of the years, 1919, 1920, 1921, 1922, 1923 and 1924. 2. What was the total distribution of electrical power by the Hydro-Electric Power Commission for Ontario in each of the said systems for each of said years. 3. What was the total demand upon the Hydro-Electric Power Commission for Ontario for electrical power in each of said systems in each of said years. 4. What further electrical power is procurable by the Hydro-Electric Power Commission for Ontario in each of the above systems when the developments already undertaken or under construction are completed. 5. What is the maximum supply of electrical power procurable by the Hydro-Electric Power Commission for Ontario in each of said systems with the present developments completed and operating to full capacity. 6. What was the total combined supply of electrical power furnished by the Hydro-Electric Power Commission for Ontario from all of said systems combined in the year 1924. 7. What was the total demands for electrical power upon the Hydro-Electric Power Commission for Ontario in all of said systems combined for the year 1924. 8. What was the total amount of electrical power used through the Hydro-Electric Power Commission for Ontario in all of said systems combined in the year 1924. 9. What additional amount of electrical power is it estimated by the Hydro-Electric Power Commission for Ontario will be procured from the proposed development of power from the St. Lawrence River. 10. What is the estimated cost of the Hydro-Electric Power Commission for Ontario of the proposed power developments contemplated by the Hydro-Electric Power Commission for Ontario on the River St. Lawrence.

On motion of Mr. Price, seconded by Mr. Martin,

Ordered, That this House do forthwith resolve itself into a Committee to consider certain proposed Resolution respecting the Corporations Tax Act.

Mr. Ferguson acquainted the House that His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed Resolution, recommends it to the consideration of the House.

The House then resolved itself into the Committee.

(In the Committee.)

Resolved, That subsection 12 of section 4 of the Corporations Tax Act, as enacted by section 6 of the Corporations Tax Act, 1915, be amended to provide that the above subsection shall not apply so as to render liable to taxation as a gas and electric company any company not having at least twenty thousand dollars (\$20,000) invested in its plant or works.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had come to a certain Resolution.

Ordered, That the Report be now received.

Mr. Jamieson (Grey) reported the Resolution as follows:—

Resolved, That subsection 12 of section 4 of the Corporations Tax Act, as enacted by section 6 of the Corporations Tax Act, 1915, be amended to provide that the above subsection shall not apply to as to render liable to taxation as a gas and electric company any company not having at least twenty thousand dollars (\$20,000) invested in its plant or works.

The Resolution having been read the second time, was agreed to, and referred to the Committee of the Whole House on Bill (No. 67), To amend the Corporations Tax Act.

The following Bill was then read the second time:—

Bill (No. 67), To amend the Corporations Tax Act.

Referred to a Committee of the Whole House on Monday next.

On Motion of Mr. Ferguson, seconded by Mr. Henry,

Ordered, That this House do forthwith resolve itself into a Committee to consider certain proposed Resolutions respecting the Queen Victoria Niagara Falls Park Commission.

Mr. Ferguson acquainted the House that His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed Resolutions, recommends them to the consideration of the House.

The House then resolved itself into the Committee.

(In the Committee.)

Resolved—1. That the Commissioners of the Queen Victoria Niagara Falls Park are authorized, in addition to the powers heretofore conferred upon them, with the approval of the Lieutenant-Governor in Council, to borrow money to meet any indebtedness of the Commissioners accruing due, or for the purchasing or otherwise acquiring real or personal property, or making improvements, or for any other purpose of the Commissioners and to issue bonds, debentures, notes or other securities to provide for the repayment of any moneys so borrowed payable at such times and in such manner and at such place or places in Canada or elsewhere and bearing such interest as the Commissioners may deem proper.

2. That the Lieutenant-Governor in Council may authorize the Treasurer of the Province of Ontario for and on behalf of the Province to guarantee the payment of any securities issued by the Commissioners for the purposes aforesaid.

3. That the form of guaranty and the manner of its execution shall be determined by the Lieutenant-Governor in Council.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had come to certain Resolutions.

Ordered, That the Report be now received.

Mr. Jamieson (Grey) reported the Resolutions as follows:—

Resolved—1. That the Commissioners of the Queen Victoria Niagara Falls Park are authorized, in addition to the powers heretofore conferred upon them, with the approval of the Lieutenant-Governor in Council, to borrow money to meet any indebtedness of the Commissioners accruing due, or for the purchasing or otherwise acquiring real or personal property, or making improvements, or for any other purpose of the Commissioners and to issue bonds, debentures, notes or other securities to provide for the repayment of any moneys so borrowed payable at such times and in such manner and at such place or places in Canada or elsewhere and bearing such interest as the Commissioners may deem proper.

2. That the Lieutenant-Governor in Council may authorize the Treasurer of the Province of Ontario for and on behalf of the Province to guarantee the payment of any securities issued by the Commissioners for the purposes aforesaid.

3. That the form of guaranty and the manner of its execution shall be determined by the Lieutenant-Governor in Council.

The Resolutions having been read the second time, were agreed to, and referred to the Committee of the Whole House on Bill (No. 60) Respecting the Commissioners for the Queen Victoria Niagara Falls Park.

On motion of Mr. Ferguson, seconded by Mr. Henry,

Ordered, That this House do forthwith resolve itself into a Committee to consider certain proposed Resolutions respecting the Temiskaming and Northern Ontario Railway Commission.

Mr. Ferguson acquainted the House that His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed Resolutions, recommends them to the consideration of the House.

The House then resolved itself into the Committee.

(In the Committee.)

Resolved—1. That, subject to the approval of the Lieutenant-Governor in Council, the Temiskaming and Northern Ontario Railway Commission be authorized to borrow money from time to time for the construction of its railway and the purchase of rolling stock and other equipment therefor and to issue bonds, debentures, notes or other securities to provide for the repayment of any moneys so borrowed, such securities to be chargeable upon and secured by the property, assets, rights, rents and revenues of the Commission, present or future, therein described and to be payable at such times and in such manner and at such place or places in Canada or elsewhere and to bear such interest as the said Commission may deem proper.

2. That the Lieutenant-Governor in Council may authorize the Treasurer of the Province of Ontario for and on behalf of the Province to guarantee the payment of any securities issued by the Commission for the purposes aforesaid.

3. That the form of guaranty and the manner of its execution shall be determined by the Lieutenant-Governor in Council.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey), reported, That the Committee had come to certain Resolutions.

Ordered, That the Report be now received.

Mr. Jamieson reported the Resolutions as follows:—

Resolved—1. That, subject to the approval of the Lieutenant-Governor in Council, the Temiskaming and Northern Ontario Railway Commission be authorized to borrow money from time to time for the construction of its railway and the purchase of rolling stock and other equipment therefor and to issue

bonds, debentures, notes or other securities to provide for the repayment of any moneys so borrowed, such securities to be chargeable upon and secured by the property, assets, rights, rents and revenues of the Commission, present or future, therein described and to be payable at such times and in such manner and at such place or places in Canada or elsewhere and to bear such interest as the said Commission may deem proper.

2. That the Lieutenant-Governor in Council may authorize the Treasurer of the Province of Ontario for and on behalf of the Province to guarantee the payment of any securities issued by the Commission for the purposes aforesaid.

3. That the form of guaranty and the manner of its execution shall be determined by the Lieutenant-Governor in Council.

The Resolutions having been read the second time, were agreed to, and referred to the Committee of the Whole House on Bill (No. 61), To amend the Temiskaming and Northern Ontario Railway Act.

The following Bills were severally read the second time:—

Bill (No. 64), To amend the Public Lands Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 65), To amend the Land Titles Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 66), To amend the Mining Act of Ontario.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 76), For the Control and Eradication of the European Corn Borer.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 77), To amend the Act respecting the Suppression of Foul Brood among Bees.

Referred to a Committee of the Whole House on Monday next.

The House resolved itself into a Committee to consider Bill (No. 60), Respecting the Commissioners for the Queen Victoria Niagara Falls Park, and,

after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 61), To amend the Temiskaming and Northern Ontario Railway Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 69), To amend the Local Improvement Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 72), To amend the Assignment of Book Debts Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 73), To amend the Bills of Sale and Chattel Mortgages Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 75), Respecting the Registry Offices for the City of Kingston and the County of

Frontenac, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 78), To amend the Provincial Land Tax Act, 1924, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 80), Respecting the Adoption of Children, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 81), To authorize a Special Rate for Works undertaken to relieve unemployment, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

On motion of Mr. Ferguson, seconded by Mr. Henry,

Ordered, That the name of Mr. McBrien be added to the Standing Committee on Public Accounts.

The House then adjourned at 5.55 p.m.

Monday, February 23rd, 1925.

PRAYERS.

3 O'CLOCK, P.M.

The following Petition was brought up and laid upon the Table:—

By Mr. Garden, the Petition of the City Council of Hamilton.

The following Petitions were read and received:—

Of the Town Council of Hawkesbury, praying that an Act may pass vesting in the Housing Commission the title to certain properties and for other purposes.

Of the Town Council of Hawkesbury, praying that an Act may pass to authorize the issue of Debentures and to confirm By-law No. 388.

Of the City Council of Oshawa, praying that an Act may pass respecting the laying of sewers.

Of Charles W. Cox and others of Port Arthur, praying that an Act may pass to incorporate the Duluth and Ontario Railway Company.

Of the Roman Catholic Episcopal Corporation of the Diocese of Toronto, praying that an Act may pass respecting the renovation and reconstruction of Saint Michael's Cemetery of the City of Toronto.

The following Bills were severally introduced and read the first time:—

Bill (No. 84), intituled "An Act to amend The Trustee Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 85), intituled "An Act to amend The Statutes Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 68), To amend the Public Vehicles Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 71), To amend the Agricultural Development Act, 1921, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 64), To amend the Public Lands Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 65), To amend the Land Titles Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 67), To amend the Corporations Tax Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Rankin reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 66), To amend the Mining Act of Ontario, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 76), For the Control and Eradication of the European Corn Borer, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Rankin reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 77), To amend the Act respecting the suppression of Foul Brood among Bees, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Rankin reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-morrow.

The House then adjourned at 4.35 p.m.

Tuesday, February 24th, 1925.

PRAYERS.

3 O'CLOCK, P.M.

Mr. Jamieson (Grey), from the Select Committee appointed at the last Session of the Legislature, to study the agricultural interests of the Province, presented their Report. (*Appendix No. 1*).

On motion of Mr. Jamieson (Grey), seconded by Mr. Owens, it was .

Ordered, That the Report be referred to the Printing Committee, with instructions to recommend the printing thereof.

The following Bills were severally introduced and read the first time:—

Bill (No. 86), intituled "An Act to amend the Conditional Sales Act." *Mr. Nickle*.

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 87), intituled "An Act to amend the Wages Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 88), intituled "An Act to amend the Consolidated Municipal Act." *Mr. Kemp.*

Ordered, That the Bill be read the second time To-morrow.

The Order of the Day for resuming the Adjourned Debate on the Motion for the consideration of the Speech of His Honour the Lieutenant-Governor, at the opening of the Session, having been read,

The Debate was resumed,

And after some time,

It was, on the motion of Mr. Monteith,

Ordered, That the Debate be further adjourned until To-morrow.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Report under The Children's Protection Act of Ontario and First Annual Reports under the Adoption Act, 1921, and The Children of Unmarried Parents Act, 1921. (*Sessional Papers No. 60.*)

Also, Annual Report of the Public Service Superannuation Board for year ending October 31st, 1924. (*Sessional Papers No. 61.*)

Also, Report of the Board of Governors of the University of Toronto for the year 1924. (*Sessional Papers No. 17.*)

Also, Report on the Distribution of the Revised Statutes and Sessional Papers for year ending October 31st, 1924. (*Sessional Papers, No. 62.*)

The House then adjourned at 11.05 p.m.

Wednesday, February 25th, 1925.

PRAYERS.

3 O'CLOCK, P.M.

The following Petition was read and received:—

Of the City Council of Hamilton, praying that an Act may pass authorizing the passing of certain by-laws providing for bathing facilities.

The following Bills were severally introduced and read the first time:—

Bill (No. 89), intituled "An Act to amend The Cemetery Act." *Mr. Keith.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 90), intituled "An Act to amend The Consolidated Municipal Act, 1922." *Mr. Willson* (Niagara Falls).

Ordered, That the Bill be read the second time To-morrow.

The Order of the Day for resuming the Adjourned Debate on the Motion for the consideration of the Speech of His Honour the Lieutenant-Governor, at the opening of the Session, having been read,

The Debate was resumed,

And after some time,

It was, on the motion of Mr. Belford,

Ordered, That the Debate be further adjourned until To-morrow,

The House then adjourned at 11.05 p.m.

Thursday, February 26th, 1925.

PRAYERS.

3 O'CLOCK, P.M.

The following Petition was brought up and laid upon the table:—

By Mr. Sinclair, the Petition of the Town Council of Whitby.

The following Bills were severally introduced and read the first time:—

Bill (No. 91), intituled "An Act to amend the Landlord and Tenant Act."
Mr. Nickle.

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 92), intituled "An Act to amend the Consolidated Municipal Act."
Mr. Bowman.

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 93), intituled "An Act to amend the Workmen's Compensation Act."
Mr. Nickle.

Ordered, That the Bill be read the second time To-morrow.

The following Bills were severally read the second time:—

Bill (No. 84), To amend the Trustee Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 85), To amend the Statutes Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 86), To amend the Conditional Sales Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 87), To amend the Wages Act.

Referred to a Committee of the Whole House To-morrow.

The Order of the Day for resuming the Adjourned Debate on the Motion for the consideration of the Speech of His Honour the Lieutenant-Governor, at the opening of the Session, having been read,

The Debate was resumed,

And after some time,

It was, on the motion of Mr. Willson (Niagara Falls),

Ordered, That the Debate be further adjourned until Tuesday next.

The House then adjourned at 5.45 p.m.

Friday, February 27th, 1925.

PRAYERS.

3 O'CLOCK, P.M.

The following Petition was brought up and laid upon the Table:—

By Mr. Kennedy, The Petition of the Town Council of Brampton.

Mr. Lewis from the Standing Committee on Standing Orders presented their Second Report which was read as follows and adopted:—

Your Committee have carefully examined the following Petitions and find the notices as published in each case sufficient:—

Of the Town of Walkerville, praying that an Act may pass to validate and confirm a certain by-law for the raising of certain money.

Of the Town Council of Sandwich, praying that an Act may pass to validate a by-law for the construction of sewers.

Of the Essex Border Utilities Commission, praying that an Act may pass to ratify and confirm a certain by-law and for other purposes.

Of the Town of Ford City, praying that an Act may pass to provide for the separation of, from the County of Essex for municipal purposes.

Of the Town Council of Riverside, praying that an Act may pass to provide for the separation from the County of Essex for municipal purposes.

Of J. A. Worrell and others of Toronto, praying that an Act may pass to incorporate the Anglican Church Mutual Fire Insurance Company.

Of Charles W. Cox and others of Port Arthur, praying that an Act may pass to incorporate the Duluth and Ontario Railway Company.

Of the Town Council of Sudbury, praying that an Act may pass to ratify and confirm a certain by-law.

Of the Presbyterian Church in Canada and other churches, praying that an Act may pass to unite to form one body under the name of The United Church of Canada.

Of the Town Council of Carleton Place, praying that an Act may pass to enable the Corporation to fix price, rate or rent of lot or house through which water pipes shall run, and to collect the same.

Of the Town Council of Carleton Place, praying that an Act may pass to consolidate floating indebtedness and to issue debentures.

Of the Township Council of Etobicoke, praying that an Act may pass to enable the Corporation to require the installation of sanitary conveniences; to authorize and confirm assessments of waterworks, and for other purposes.

Of the Township Council of North York, praying that an Act may pass to authorize the division of the township into wards and to validate a certain agreement.

Of the Town Council of Hawkesbury, praying that an Act may pass vesting in the Housing Commission the title to certain properties and for other purposes.

Of the Town Council of Hawkesbury, praying that an Act may pass to authorize the issue of debentures and to confirm By-law No. 388.

Of the City Council of Toronto, praying that an Act may pass authorizing the issue of debentures to purchase land for parks and for other purposes.

Of the City Council of Toronto, praying that an Act may pass to amend Act relating to the City Gas Company.

Of the Town Council of Gravenhurst, praying that an Act may pass to consolidate their floating debt.

Of the City Council of Brantford, praying that an Act may pass to ratify and confirm a certain by-law.

Of the City Council of Owen Sound, praying that an Act may pass to ratify and confirm a certain by-law.

Your Committee recommend that Rule No. 51 of your Honourable House be further suspended in this, that the time for introducing Private Bills be extended until and inclusive of Friday, the 13th day of March next.

Ordered, That the time for introducing Private Bills be extended until Friday, the thirteenth day of March next.

The following Bills were severally introduced and read the first time:—

Bill (No. 5), intituled "An Act respecting the Township of Etobicoke." *Mr. Keith.*

Referred to the Committee on Private Bills.

Bill (No. 11), intituled "An Act respecting the City of Brantford." *Mr. MacBride.*

Referred to the Committee on Private Bills.

Bill (No. 13), intituled "An Act to consolidate the Floating Debt of the Town of Gravenhurst." *Mr. Ecclestone.*

Referred to the Railway and Municipal Board.

Bill (No. 14), intituled "An Act to enable the Town of Riverside to withdraw from the jurisdiction of the Council of the County of Essex." *Mr. Wilson (Windsor).*

Referred to the Committee on Private Bills.

Bill (No. 16), intituled "An Act respecting the City of Owen Sound." *Mr. Jamieson (Grey).*

Referred to the Committee on Private Bills.

Bill (No. 20), intituled "An Act to amend the Anglican Church Mutual Fire Insurance Company." *Mr. Nesbitt.*

Referred to the Committee on Private Bills.

Bill (No. 21), intituled "An Act respecting the Town of Walkerville." *Mr. Wilson (Windsor).*

Referred to the Committee on Private Bills.

Bill (No. 22), intituled "An Act respecting the Town of Sandwich." *Mr. Wilson (Windsor).*

Referred to the Committee on Private Bills.

Bill (No. 24), intituled "An Act respecting the Essex Border Utilities Commission." *Mr. Wilson (Windsor).*

Referred to the Committee on Private Bills.

Bill (No. 27), intituled "An Act to enable the Town of Ford City to withdraw from the jurisdiction of the Council of the County of Essex." *Mr. Wilson (Windsor).*

Referred to the Committee on Private Bills.

Bill (No. 29), intituled "An Act to incorporate the Christian and Missionary Alliance in Canada." *Mr. Lewis.*

Referred to the Committee on Private Bills.

Bill (No. 30), intituled "An Act respecting the Township of North York." *Mr. Keith.*

Referred to the Committee on Private Bills.

Bill (No. 32), intituled "An Act respecting the Town of Hawkesbury." *Mr. Proulx.*

Referred to the Committee on Private Bills.

Bill (No. 35), intituled "An Act respecting the Town of Hawkesbury." *Mr. Proulx.*

Referred to the Commissioners of Estate Bills.

Bill (No. 37), intituled "An Act respecting the Town of Carleton Place." *Mr. Thompson (Lanark).*

Referred to the Committee on Private Bills.

Bill (No. 38), intituled "An Act respecting the Town of Carleton Place." *Mr. Thompson (Lanark).*

Referred to the Railway and Municipal Board.

Bill (No. 39), intituled "An Act respecting the City of Toronto." *Mr. Nesbitt.*

Referred to the Committee on Private Bills.

Bill (No. 41), intituled "An Act to amend certain Acts respecting the Consumers' Gas Company of Toronto." *Mr. Nesbitt.*

Referred to the Committee on Private Bills.

Bill (No. 49), intituled "An Act to further amend the Act incorporating St. Patrick's Asylum of Ottawa." *Mr. Fisher.*

Referred to the Committee on Private Bills.

Bill (No. 50), intituled "An Act respecting the Town of Sudbury." *Mr. Vaughan.*

Referred to the Committee on Private Bills.

Bill (No. 52), intituled "An Act respecting the Town of Kapuskasing."
Mr. Kennedy.

Referred to the Committee on Private Bills.

Bill (No. 55), intituled "An Act to incorporate the Duluth and Ontario Railway Company." *Mr. Keefer.*

Referred to the Committee on Railways.

Bill (No. 94), intituled "An Act to amend the Consolidated Municipal Act."
Mr. Black.

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 95), intituled "An Act to amend the Consolidated Municipal Act." *Mr. Macdiarmid.*

Ordered, That the Bill be read the second time on Monday next.

Mr. McCallum asked the following Question:

1. What was the amount of succession duty free bonds of the Province outstanding:—(a) When the Drury Government came into office; (b) when the present Government came into office. 2. What is the amount of such bonds outstanding at the present time. 3. What was the loss in revenue to the Province for each year of the last five fiscal years by reason of such bonds forming part of the estates of deceased persons. 4. What were the estates that profited from being the holders of such bonds. 5. What was the amount of such bonds held by each of such estates respectively.

To which the Treasurer replied in the figures following:—

1. (a) \$12,002,600.00.

(b) \$4,534,000.00.

2. \$4,507,000.00.

3.

1920.....	\$195,621 77
1921.....	22,284 71
1922.....	449,578 18
1923.....	9,679 27
1924.....	27,157 48

\$704,321 41

4 and 5.

	Estate	Amount of bonds held.
1920	W. D. Meikle.....	\$48,000 00
	Delia A. Leverich.....	3,000 00
	Wm. Langdon.....	25,000 00
	Maud Bull.....	15,000 00
	Rose Baines.....	5,000 00
	Mary McFadden.....	6,780 00
	Asenath Grant.....	10,000 00
	W. H. Comstock.....	511,610 12
	Joseph Seagram.....	924,098 70
	T. W. Watkins.....	7,000 00
	W. H. A. Fraser.....	18,000 00
1921	Esther C. Clemesha.....	28,000 00
	Jane Bisby.....	4,724 55
	E. H. Bronson.....	38,000 00
	H. L. Lovering.....	36,200 00
	John Poucher.....	100 00
	H. S. McDonald.....	12,000 00
	Alex Bruce.....	15,894 41
	R. J. Cowan.....	50,000 00
	Etna D. Howe.....	31,392 00
	A. H. Royce.....	10,000 00
1922	John McNee.....	6,000 00
	George Kippax.....	28,000 00
	A. J. Johnston.....	10,000 00
	Robert McLaughlin.....	192,000 00
	James Grand.....	90,500 00
	M. H. Aikins.....	142,898 15
	W. J. Gage.....	21,960 00
	Wm. Davies.....	307,000 00
	B. M. Britton.....	158,591 99
	Sir J. C. Eaton.....	1,562,623 43
1923	J. B. Carruthers.....	26,000 00
	H. W. Whitton.....	6,000 00
	J. A. McDonagh.....	50,000 00
	F. H. Smith.....	5,600 00
1924	Gordon M. Beatty.....	25,246 58
	Robert B. Gray.....	24,379 39
	Ward C. Hughson.....	1,077 00
	J. M. Kilbourne.....	79,325 74
	Joseph L. Mitchell.....	1,100 00
	W. J. Murphy.....	42,180 82
	Frances J. Neville.....	14,900 00
	Helen F. Walker.....	5,338 77
	Frederick Wickson.....	4,321 20

Mr. Fisher asked the following Question:—

1. What was the total amount of deposits made with the Province of Ontario banks during each of the months of the last fiscal year. 2. What was the total amount so deposited in November and December, 1924, and in January, 1925. 3. What is the rate of interest paid on deposits. 4. When was the rate reduced from 4% to 3%. 5. What representations were made to the Government to cause a decision to be made to reduce the interest on deposits.

And the Treasurer replied in the words following:—

1 and 2. It is not considered to be in the public interest to give this information. 3. 3% *per annum*. 4. Effective from November 1st, 1924. 5. The Government acted on its own initiative having in mind the declining rates of interest, the desirability of creating a reserve and with the ultimate object of reducing the rates of interest to the farmer.

Mr. Widdifield asked the following Question:—

1. What has been the rate of interest paid for deposits with the Provincial Savings Branch since its establishment. 2. What is the rate of interest charged by the Government to whom loans are made from moneys deposited in the Provincial Savings Branches.

To which the Provincial Treasurer replied as follows:—

1. Prior to November 1st, 1924, 4%; subsequent to November 1st, 1924, 3%. 2. 5% is the rate charged the Agricultural Development Board by the Government, and the Board loans to the farmer at 6%.

Mr. Carmichael asked the following Question:—

1. What is the total amount that has been paid to the Government of Ontario under the settlement made with the Shémlin Clarke Company in 1922. 2. Is the said company at present indebted to the Province under the said settlement. 3. If so, in what amount and since when. 4. Has any change been made in the terms of the said settlement. 5. If so, what change. 6. Has the company suggested any change. 7. If so, what was the request.

And the Minister of Lands and Forests replied in the words following:—

1. \$835,612.59. 2. No. 3. Answered by No. 2. 4. No. 5. Answered by No. 4. 6. No. 7. Answered by No. 6.

Mr. Clarke (Northumberland) asked the following Question:—

1. In what papers in Great Britain has the Government since July, 1923, caused to be inserted advertisements regarding immigration to Ontario. 2. Over what period of time has the Government done such advertising. 3. Who has been employed by the Government since July, 1923, to conduct a campaign in Great Britain for immigration to Ontario. 4. What has been paid for such services since July, 1923. 5. Was Miss Constance Boulton employed for such work. 6. What was paid to Miss Constance Boulton for her services. 7. What was the method adopted by Miss Constance Boulton and others to secure immigrants. 8. What instructions were issued to Miss Constance Boulton when she was selected for such work. 9. What has been the total cost to date to the Government since July, 1923, for immigration work in Great Britain.

And the Minister of Agriculture replied in the words and figures following:—

1. In accordance with practice followed for a number of years, small advertisements have been inserted from time to time by the Agent-General in various papers throughout the British Isles. A list hereto attached has been used at intervals since July, 1923. 2. In most cases only one insertion has been used. 3. W. C. Noxon, Agent-General for Ontario, conducts all the Government emigration activities. 4. The Agent-General has received for services from July, 1923, to February, 1925 (both months inclusive), \$10,000. 5. Yes. 6. \$992.32. 7. Interviews and lectures. 8. To report to the Agent-General for Ontario, W. C. Noxon. 9. 1923, \$19,007.44; 1924, \$94,222.87; 1925, \$13,817.73, making a total of \$127,048.04.

ADVERTISING MEDIUMS JULY, 1923, TO OCTOBER, 1924, ONTARIO GOVERNMENT OFFICE, LONDON, ENG.

Farmers & Stockbreeders Year Book.	Carlisle Cumberland News.
Farmers Red Book.	Chesterfield Derbyshire Times.
Essex County Farmers' Union Year Book.	Devonport Western Independent.
National Farmers' Union Year Book.	Winchester Hampshire Chronicle.
Public School Year Book.	Hereford Times.
Christian Herald.	St. Albans Herts. Advertiser.
British Passenger Agents' Assoc. Hand-book.	Tunbridge Wells Kent & Sussex Courier.
Sunday Herald.	Sevenoaks Chronicle.
News of the World.	Liverpool Weekly Post.
Lloyds Weekly News.	Preston Guardian.
People.	Leicester Advertiser.
Sunday Express.	Lincoln Chronicle.
Reynolds.	Norfolk News & Weekly Press.
Peoples Journal—Whole Series.	Yarmouth.
Dundee Weekly News.	Lowestoft.
Aberdeen Weekly Journal.	Cromer.
Belfast Weekly Telegraph.	Dereham.
Larne Times.	Glasgow Sunday Mail.
Ballymena Weekly Telegraph.	Manchester Sunday Chronicle.
Daily Mail.	Dundee Weekly News and Series.
	Dundee Peoples Journal and Series.

Daily Express.
Daily Mirror.
Daily Sketch.
Daily Chronicle.
Daily News.
Daily Telegraph.
Star.
Evening News.
Home Mirror.
Lady's Companion.
Home Notes.
Woman's Life.
Home Chat.
Woman's Pictorial.
Woman's World.
Home Companion.
Family Herald.
Woman's Weekly.
Handbook of Overseas Settlement.
Belfast Weekly News.
Belfast Evening Telegraph.
Belfast Weekly Whig.
Belfast News Letter.
Londonderry Sentinel.
Londonderry Journal.
Ballymena Observer.
Armagh Guardian.
Tyrone Constitution.
Fermanagh Times.
Banbridge Chronicle.
Newtonards Chronicle.
Lisburn Standard.
Lisburn Herald.
Impartial Reporter.
Lurgan Mail.
Bedfordshire Times.
Amptill News.
Woburn Reporter.
Luton News.
Aylesbury Bucks Herald.
Cambridge Independent.
Saffron Waldon Weekly News.
Royston Weekly News.
Newmarket.
Ely Weekly Guardian.
Northampton Mercury.
Chester Chronicle.
Nantwich Chronicle.
Crewe Chronicle.
Northwich Chronicle.
Widnes Chronicle.
Winsford Chronicle.

Dundee Sunday Post.
Newcastle Sunday Sun.
Church Times.
Church of England Newspaper.
Christian World.
Christian Herald.
Baptist Times.
Methodist Recorder.
Wesleyan Methodist.
Primitive Methodist Leader.
British Weekly.
Christian.
Guardian.
Catholic Times and Series.
Catholic Herald.
Guernsey Star.
Bedford D. Circular.
Bedford Standard.
Hitchin Herts and Beds Express.
Wokingham Berks Gazette.
Newbury Weekly News.
Buckingham Advertiser.
South Bucks Free Press.
Wisbech Standard.
Bodmin Guardian.
Truro West Briton.
Launceston Weekly News.
Derby Advertiser.
Exeter Gazette.
Totnes Western Guardian.
Paignton Observer.
South Devon Express.
Dorest Co. Chronicle.
Darlington Times.
Essex Weekly News and Series.
Bristol Observer.
Gloucester Journal.
Wilts and Glos. Standard.
Bournemouth Times and Series.
Hants and Sussex Co. Press.
Ross Gazette.
St. Neots Advertiser.
Maidstone Kent Messenger and Series.
Sidcup Times and Series.
Kentish Gazette.
East Kent Gazette.
Liverpool Weekly Post.
Ormskirk Advertiser.
Warrington Guardian.
Leicester Mail.
Melton Mowbray Times.
Weekly Dispatch.

- Boston Guardian.
Grantham Journal.
Stamford Linc &c. Mercury.
Brigg Lincs Star.
Abergavenny Chronicle.
Monmouth Beacon.
Norwich Mercury.
Diss Express.
Northampton Herald.
Peterboro Advertiser.
Berwick Advertiser.
Berwickshire Advertiser.
Hexham Courant.
Nottingham Weekly Guardian.
Banbury Guardian.
Thames Gazette.
Oxfordshire Weekly News.
Bridgnorth Journal.
Oswestry Advertiser.
Yeovil Western Gazette.
Taunton Somerset Co. Express.
Shepton Mallet Journal.
Wells Journal.
West Somerset Free Press and
Minehead Advertiser.
Lichfield Mercury and Editions.
Bury St. Edmunds Free Press.
Suffolk Chronicle.
Woodbridge Reporter.
Surrey and Hants News.
Brighton Southern Weekly News.
Arundel West Sussex Gazette.
Birmingham Mid Cos. Herald.
Stratford O/A Herald.
Swindon North Wilts Herald.
Warminster Journal.
Wilts Times.
Evesham Journal.
Malton Messenger.
Whitby Gazette.
Wakefield Express.
York Weekly Herald.
Brecon Express.
Radnor Express.
North Wales Observer and Series.
Baner Ac Amserau Cymru.
North Wales Times.
Montgomery County Times.
Tenby Observer.
Pembroke Telegraph.
Sunday School Chronicle.
Glasgow Evening News.
- Lloyds Sunday News.
Canadian Gazette.
Canada.
Dairy Show Catalogue.
Reading Mercury.
Isle of Wight County Press.
Poole Herald.
Branksome Herald.
Blandford Herald.
Wimborne Herald.
Lymington Chronicle.
Ringwood Chronicle.
New Forest Chronicle.
Swanage Times.
Southampton Hants Adv. & Indept.
Ashford Kentish Express.
Guilford Surrey Advertiser.
Brighton Southern W. News.
Hastings Observer.
Bexhill O/S Observer.
Folkestone Herald.
Lewes Sussex Express.
Eastbourne Gazette.
Sussex Co. Herald.
Brighton Advertiser.
Worthing Herald.
Taunton Com. Coy. Gazette.
Bridgewater Mercury.
Devon and Som. W. News.
Salisbury Journal.
Fruitgrower.
Norwood News.
Streatham News.
Penge & Anerley News.
Balham & Totting News.
Norbury Weekly News.
Leytonstone Express & Independent.
Leyton Express.
Woodford Express.
Forest Gate Express.
Wanstead Express.
West Ham Express.
Romford Essex Times.
Romford Times.
Walthamstow Guardian.
Southend-on-Sea Standard.
Clacton Times.
Walton & Frinton Times.
Ilford Recorder.
East Ham Recorder.
Romford Recorder.
Chelmsford Essex Weekly News.

Glasgow Evening Citizen.	Southend-on-Sea Observer.
Glasgow Daily Record.	Barking Advertiser.
Glasgow Scottish Farmer.	Chelmsford Essex Co. Chronicle.
Edinboro Weekly Scotsman.	Chelmsford Essex Herald.
Edinboro North British Agriculturist.	Chelmsford Essex Newsmen.
Perth Farming News.	Chelmsford Maldon Express.
Kirkwal Orcaidna.	Colchester Essex Standard.
Shetland Times.	Colchester Gazette.
Huntly Express.	Colchester Essex Telegraph.
John O'Groates Journal.	Walton Gazette.
Banff Advertiser.	Arundel West Sussex Gazette.
Caithness Courier.	Maidstone Kent Messenger.
Narin Telegraph.	Ashford Kent Examiner.
Stirling Observer.	Gravesend Telegraph.
Dumfries Courier.	Stamford Lincoln Mercury.
Elgin Courant.	Ipswich Suffolk Chronicle.
Inverness Northern Chronicle.	Wellington Journal.
Dingall North Star&Farmers Chronicle.	Pullmans Weekly News.
Church of Ireland Monthly.	Somerset County Herald.
Glasgow Evening Times.	Taunton Courier.
Belfast Weekly Telegraph.	Carnarvon Herald.
Coleraine Constitution.	Sunday Companion.
Herald Cymreig.	Sunday School Chronicle.
Holyhead Mail.	Life & Work.
Cardiff Weekly Mail.	Record of the United Free Church of
Fife & Kinross Weekly News.	Scotland.
Stirling Weekly News.	Tavistock Times.
Thomsons Weekly News.	Tavistock Gazette.
North British Agriculturist.	Dundee Peoples Journal and Series.
Glasgow Scottish Farmer.	Dundee Sunday Post.
Perth Farming News.	Poultry World.
Nursing Mirror.	Empire Mail.
Life of Faith.	Annual Journal of the Agricultural
	Society of England.

Mr. Sangster asked the following Question:—

1. What is the name of the contracting firm to which the contract was awarded for the 6½ miles of road from Sudbury to Coniston. 2. What was the contract price. 3. Was the work completed for the contract price. 4. If not, how much extra was paid the contractors. 5. Was there an item in the contract of \$15,000 to provide for a detour. 6. Was the detour made. 7. If not, was the money paid the contractors or someone else. 8. Is this firm using Government equipment. 9. If so, what is the Government charging them. 10. How many contracts has this firm received. 11. How many miles of road has this firm contracts for and for what amounts. 12. Did the lowest tenderer get the contract in every case. 13. Did the Lyons Coal & Fuel Company of Sault Ste. Marie supply material for these contractors.

And the Minister of Lands and Forests replied in the words and figures following:—

1. McNamara Construction Company. 2. By schedule as follows: Earth excavation, \$1.20 per cubic yard; rock excavation, \$6.50 per cubic yard; concrete pavement, 16-foot wide, \$2.75 per square yard; concrete in culverts, \$24.00 per cubic yard; 6-inch agricultural tile in place, 95c. per lineal foot; gravel placed where directed, \$4.75 per cubic yard; crushed stone placed where directed, \$4.75 per cubic yard; placing reinforcement in pavement, 7c. per square foot; scarifying and reshaping roadway, 8c. per square yard; 8-inch concrete or vitrified pipe in place, \$1.00 per lineal foot; 10-inch concrete or vitrified pipe in place, \$1.25 per lineal foot; 12-inch concrete or vitrified pipe in place, \$1.60 per lineal foot; 15-inch concrete or vitrified pipe in place, \$2.50 per lineal foot; 18-inch concrete or vitrified pipe in place, \$2.90 per lineal foot; 8-inch corrugated pipe in place, \$1.00 per lineal foot; 10-inch corrugated pipe in place, \$1.25 per lineal foot; 12-inch corrugated pipe in place, \$1.60 per lineal foot; 15-inch corrugated pipe in place, \$2.50 per lineal foot; 18-inch corrugated pipe in place, \$2.90 per lineal foot; dry rubble masonry end walls for pipe culverts, \$9.00 each; trimming and levelling earth shoulders, 10c. per lineal foot of roadway; trimming and levelling stone shoulders, 30c. per lineal foot of roadway. 3. Yes; excepting a force account for \$3,375.72 for items not included in contract. 4. Answered by No. 3. 5. No. 6. No. 7. Answered by No. 5. 8. Yes. 9. Roller and water tank, \$15.00 per day; crusher elevator, bin and screens, \$25.00 per day. 10. Two. 11. Approximately fourteen miles. The contract amounts in both cases will depend on the quantities of work done under the different headings at the contract schedule prices. 12. Yes. 13. No.

Mr. Lewis asked the following Question:—

What was the total revenue received by the Province during the year 1924 from the sale of licenses for: (a) Motor pleasure vehicles; (b) Motor trucks; (c) Motor cycles. What was the total cost of administering the Motor Vehicles Branch of the Provincial Highways Department for the year 1924.

To which the Minister of Public Works replied in the words and figures following:—

1.	(a).....	\$3,969,341 91
	(b).....	637,691 50
	(c).....	15,224 75
		<hr/>
		\$4,622,258 16
2.	Registrar's Office.....	\$73,957 31
	Special Officers.....	9,265 42
	Motor constables.....	34,914 17
	Commission paid to outside issuers...	63,599 50
		<hr/>
		\$181,736 40

Mr. Wallis asked the following Question:—

1. How many reforestation stations are the Government operating. 2. Where are they situated. 3. What is the area of each. 4. What is the total cost to the Province. 5. Has the Government any plan for a system of reforestation in the North Country.

And the Minister of Lands and Forests replied in the words and figures following:—

1. Seven. 2. Norfolk County (St. Williams), 1,800 acres; Simcoe County (Midhurst), 1,000 acres; Simcoe County (Hendrie), 1,000 acres; Durham County (Orono), 176½ acres; Northumberland County (Haldimand Township), 1,000 acres; Prince Edward County, 600 acres; York County (Vivian), 600 acres. 3. Answered by No. 2. 4. Total cost of reforestation to date, \$814,686.87 (includes capital and operating costs to October 31st, 1924). 5. Yes.

Mr. Fenton asked the following Question:—

1. Was any information laid against Dr. Henry of Orangeville for a violation of the Ontario Temperance Act since the present Government came into office. 2. If so, what was the date of this said alleged offence and the date of the information, and by whom was the information laid. 3. Were representations made to the Government, or to any official thereof having authority in the matter looking to the withdrawal of such information. If so, by and to whom. 4. Was the information withdrawn. If so, why. 5. Was another physician in the same county prosecuted for a similar offence and convicted at about the same time. 6. Did he pay a fine. 7. If so, was it remitted and why.

And the Attorney-General replied as follows:—

1. Yes. 2. May 10th, 1924; May 27th, 1924; T. J. Robinson, Inspector O.T.A. 3. No representations made. 4. Yes. Not sufficient evidence. 5. No. 6. Answered by No. 5. 7. Answered by No. 5.

Mr. Widdifield asked the following Question:—

1. When were the liquor dispensaries established. 2. What is the quantity of: (a) wine, (b) beer, (c) and other liquors sold by the liquor dispensaries for each fiscal year since their establishment. 3. What were the total receipts of the liquor dispensaries for each year.

To which the Attorney-General replied in the words and figures following:—

1. Dispensaries were established as follows:—No. 1, Toronto, May 26th, 1919; No. 2, Toronto, May 27th, 1919; No. 3, Hamilton, June 3rd, 1919;

No. 4, London, June 5th, 1919; No. 5, Windsor, June 6th, 1919; No. 6, Kingston, June 4th, 1919; No. 7, Ottawa, June 4th, 1919; No. 8, Fort William, February 1st, 1921. 2. Beer, May 26th, 1919, to December 31st, 1919, 71,780 gallons; wine, May 26th, 1919, to December 31st, 1919, 2,813 gallons; all other liquors, May 26th, 1919, to December 31st, 1919, 106,988; beer, January 1st, 1920, to December 31st, 1920, 42,239 gallons; wine, January 1st, 1920, to December 31st, 1920, 3,895 gallons; all other liquors, January 1st, 1920, to December 31st, 1920, 249,333 gallons; beer, January 1st, 1921, to December 31st, 1921, 49,877 gallons; wine, January 1st, 1921, to December 31st, 1921, 3,020 gallons; all other liquors, January 1st, 1921, to December 31st, 1921, 191,338 gallons; beer, January 1st, 1922, to October 31st, 1922, 88,851 gallons; wine, January 1st, 1922, to October 31st, 1922, 2,452 gallons; all other liquors, January 1st, 1922, to October 31st, 1922, 150,515 gallons; beer, November 1st, 1922, to October 31st, 1923, 123,848 gallons; wine, November 1st, 1922, to October 31st, 1923, 3,426 gallons; all other liquors, November 1st, 1922, to October 31st, 1923, 224,608 gallons; beer, November 1st, 1923, to October 31st, 1924, 112,548 gallons; wine, November 1st, 1923, to October 31st, 1924, 3,461 gallons; all other liquors, November 1st, 1923, to October 31st, 1924, 218,750 gallons. 3. Year ending December 31st, 1919 (7 months), \$2,026,103.41; year ending December 31st, 1920, \$3,553,677.55; year ending December 31st, 1921, \$3,236,588.45; year ending October 31st, 1922 (10 months), \$3,452,372.35; year ending October 31st, 1923, \$4,840,875.82; year ending October 31st, 1924, \$5,028,747.03.

Mr. Sewell asked the following Question:—

What have the profits of the liquor dispensaries been for each of the fiscal years since their establishment.

And the Attorney-General replied in the figures following:—

Year ending December 31st, 1919 (7 months), \$376,094.02; year ending December 31st, 1920, \$820,540.38; year ending December 31st, 1921, \$702,064.68; year ending October 31st, 1922 (10 months), \$768,996.59; year ending October 31st, 1923, \$988,453.42; year ending October 31st, 1924, \$877,294.29.

Mr. McCallum asked the following Question:—

1. What directorships in joint stock companies were held by members of the present Government respectively, when they were sworn in as members of the Government. 2. What directorships were held by them respectively on the 1st of February instant.

And the Premier replied as follows:—

Hon. Mr. Ferguson—(1) The Advance Printing Co., Limited, Kemptville; (2) The Advance Printing Co., Limited, Kemptville. Hon. Mr. Henry—(1) The

Farmers' Dairy Co., Limited, The Toronto Mortgage Co., Limited, The Oak Tire and Rubber Co., Limited; (2) same as above. Hon. Mr. Nickle—(1) The Kingston, Portsmouth and Cataraqui Electric Railway Co., The Frontenac Loan and Investment Society; (2) The Kingston, Portsmouth and Cataraqui Electric Railway Co. Hon. Mr. Price—(1) The Cordova Mines, Limited, The Commonwealth Life and Accident Insurance Company, Simplified Accounting, Limited; (2) The Cordova Mines, Limited. Hon. Mr. Martin—(1) The Regal Poultry Feed Company, Limited, of Port Dover; (2) same as above. Hon. Dr. Godfrey—(1) Toronto Casualty Fire and Marine Insurance Company, Ontario Sewer Pipe Company, Limited; (2) Toronto Casualty Fire and Marine Insurance Company. Hon. Mr. McCrea—(1) and (2) The Askwith Gold Mining Co., Limited, holding one share as trustee for client to qualify as Director to represent his interest professionally; since resigned. Hon. Mr. Lyons—(1) The Lyons Fuel and Supply Company, Limited, National Discount Corporation, Limited, Everett Manufacturing Company, Limited; (2) same as above. Hon. Leeming Carr—(1) The Whistle Bottling Company, Limited, of Hamilton; (2) out of business.

Mr. Carmichael asked the following Question:—

1. Has Miss Constance Boulton been employed by the present Government of Ontario. 2. If so, in what capacity, and for how long. 3. How much was paid to Miss Boulton, (a) for services, (b) for expenses. 4. What did Miss Boulton accomplish. 5. Is Miss Boulton now in the employ of the Government.

And the Minister of Agriculture replied in the words and figures following:—

1. Yes. 2. Special Emigration Agent; November 28th, 1923, to June 30th, 1924. 3. (a) \$992.32, (b) \$1,247.04. 4. Her special mission was to lecture in different parts of the British Isles setting forth the advantages of the Province of Ontario. 5. No.

On motion of Mr. Lyons, seconded by Mr. Goldie,

Ordered, That this House do forthwith resolve itself into a Committee to consider certain proposed Resolutions respecting the Northern and Northwestern Development Act.

Mr. Ferguson acquainted the House that His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed Resolutions, recommends them to the consideration of the House.

The House then resolved itself into the Committee.

(In the Committee.)

Resolved, That there be set apart out of the Consolidated Revenue Fund in addition to the amounts heretofore provided by the Northern and Northwestern

Ontario Development Act, 1912, the Northern and Northwestern Ontario Development Act, 1918, the Northern and Northwestern Ontario Development Act, 1921, and the Northern and Northwestern Ontario Development Act, 1923, the sum of \$5,000,000 to be applied for the purposes set out in the said Act of 1912 and in the Northern and Northwestern Ontario Development Acts of 1915, 1916, 1917, 1918, 1919, 1921, 1922 and the Soldiers' and Sailors' Land Settlement Act or any of them.

Resolved—2, That the Lieutenant-Governor in Council be authorized to make regulations from time to time for the expenditure of the sum so to be set apart and prescribing the terms and conditions upon which the same shall be expended.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had come to certain Resolutions.

Ordered, That the Report be now received.

Mr. Jamieson reported the Resolutions as follows:—

Resolved, That there be set apart out of the Consolidated Revenue Fund in addition to the amounts heretofore provided by the Northern and Northwestern Ontario Development Act, 1912, the Northern and Northwestern Ontario Development Act, 1918, the Northern and Northwestern Ontario Development Act, 1921, and the Northern and Northwestern Ontario Development Act, 1923, the sum of \$5,000,000 to be applied for the purposes set out in the said Act of 1912 and in the Northern and Northwestern Ontario Development Acts of 1915, 1916, 1917, 1918, 1919, 1921, 1922 and the Soldiers' and Sailors' Land Settlement Act or any of them.

Resolved, (2), That the Lieutenant-Governor in Council be authorized to make regulations from time to time for the expenditure of the sum so to be set apart and prescribing the terms and conditions upon which the same shall be expended.

The Resolutions having been read the second time, were agreed to, and referred to the Committee of the Whole House on Bill (No. 96), Respecting the Northern and Northwestern Development.

On motion of Mr. Henry, seconded by Mr. Nickle,

Ordered, That this House do forthwith resolve itself into a Committee to consider certain proposed Resolutions respecting a tax on gasoline.

Mr. Ferguson acquainted the House that His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed Resolutions, recommends them to the consideration of the House.

The House then resolved itself into the Committee.

(In the Committee.)

Resolved, That there shall be payable to His Majesty, for the raising of a revenue for Provincial purposes, by every person purchasing gasoline when sold for the first time after its manufacture in or importation into Ontario, a tax equal to three cents per gallon on all gasoline so purchased, such tax to be collected by the vendor of the gasoline.

Resolved, That a rebate to the amount of the said tax may be granted with respect to gasoline not used in providing motive power for vehicles on highways.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had come to certain Resolutions.

Ordered, That the Report be now received.

Mr. Jamieson reported the Resolutions as follows:—

Resolved, That there shall be payable to His Majesty, for the raising of a revenue for Provincial purposes, by every person purchasing gasoline when sold for the first time after its manufacture in or importation into Ontario, a tax equal to three cents per gallon on all gasoline so purchased, such tax to be collected by the vendor of the gasoline.

Resolved, That a rebate to the amount of the said tax may be granted with respect to gasoline not used in providing motive power for vehicles on highways.

The Resolutions having been read the second time, were agreed to, and referred to the Committee of the Whole House on Bill (No. 97), Respecting the Tax on Gasoline.

The following Bills were severally read the second time:—

Bill (No. 82), To amend the Consolidated Municipal Act.

Referred to the Municipal Committee.

Bill (No. 83), To amend the Assessment Act.

Referred to the Municipal Committee.

Bill (No. 89), To amend the Cemetery Act.

Referred to the Municipal Committee.

Bill (No. 90), To amend the Consolidated Municipal Act, 1922.

Referred to the Municipal Committee.

Bill (No. 79), To amend the Prisons and Public Charities Inspection Act.

Referred to a Committee of the Whole House on Monday next.

The House resolved itself into a Committee to consider Bill (No. 74), To amend the Ontario Telephone Act, 1918, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 85), To amend the Statutes Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 86), To amend the Conditional Sales Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 87), To amend the Wages Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House then adjourned at 4.50 p.m.

Monday, March 2nd, 1925.

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were read and received:—

Of the Town Council of Whitby, praying that an Act may pass to consolidate their indebtedness and for other purposes.

Of the Town Council of Brampton, praying that an Act may pass authorizing the Corporation to sell any, or all, of the houses erected by the Housing Commission.

The following Bill was introduced and read the first time:—

Bill (No. 18), intituled "An Act respecting certain Churches therein named." *Mr. Rankin.*

Referred to the Committee on Private Bills.

The following Bills were severally read the second time:—

Bill (No. 92), To amend the Consolidated Municipal Act, 1922.

Referred to the Municipal Committee.

Bill (No. 91), To amend the Landlord and Tenant Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 93), To amend the Workmen's Compensation Act.

Referred to a Committee of the Whole House To-morrow.

The House resolved itself into a Committee to consider Bill (No. 84), To amend the Trustee Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Owens reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 79), To amend the Prisons and Public Charities Inspection Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Owens reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House then adjourned at 3.55 p.m.

Tuesday, March 3rd, 1925.

PRAYERS.

3 O'CLOCK P.M.

Mr. Nickle, from the Standing Committee on Private Bills, presented their First Report, which was read as follows and adopted:—

Your Committee beg to report the following Bills without amendment:—

Bill (No. 1), An Act respecting the Corporation of the Municipality of Paipoonge.

Bill (No. 7), An Act to confirm By-law No. 567 of the Town of Harriston.

Your Committee beg to report the following Bills with certain amendments:—

Bill (No. 2), An Act to incorporate the Village of Ripley.

Bill (No. 26), An Act to authorize John McRobie to make application to practise Optometry.

The following Bills were severally introduced and read the first time:—

Bill (No. 98), intituled "An Act to amend the Ontario Companies Act."
Mr. Nickle.

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 99), intituled "An Act to amend the Surrogate Courts Act."
Mr. Nickle.

Ordered, That the Bill be read the second time To-morrow.

The following Bills were severally read the second time:—

Bill (No. 94), To amend the Consolidated Municipal Act, 1922.

Referred to the Municipal Committee.

Bill (No. 95), To amend the Consolidated Municipal Act, 1922.

Referred to the Municipal Committee.

The Order of the Day for resuming the Adjourned Debate on the Motion for the consideration of the Speech of His Honour the Lieutenant-Governor, at the opening of the Session, having been read,

The Debate was resumed,

And after some time,

It was, on the motion of Mr. Ferguson,

Ordered, That the Debate be further adjourned until To-morrow.

The House then adjourned at 10.40 p.m.

Wednesday, March 4th, 1925.

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Raney, the Petition of the East Wellington Prohibition Association, also, the Petition of the Regular Baptist Church at Mount Forest; also, the Petition of the Sunday School and the Young People's Society of the Baptist Church, Mount Forest.

The following Bills were severally introduced and read the first time:—

Bill (No. 100), intituled "An Act to amend the Highway Traffic Act." *Mr. Biggs.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 101), intituled "An Act to amend the Municipal Act." *Mr. Brackin.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 102), intituled "An Act to amend the Ontario Architects' Act." *Mr. Owens.*

Ordered, That the Bill be read the second time To-morrow.

The following Bills were severally read the second time:—

Bill (No. 1), Respecting the Corporation of the Municipality of Paipoonge.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 7), To confirm By-law No. 567 of the Town of Harriston.

Referred to a Committee of the Whole House To-morrow.

The Order of the Day for resuming the Adjourned Debate on the Motion for the consideration of the Speech of His Honour the Lieutenant-Governor, at the opening of the Session, having been read,

The Debate was resumed,

And after some time,

The Amendment to the Amendment, having been put, was lost on the following division:—

YEAS.

Biggs.	Doherty.	McCallum.	Rowe.
Bowman.	Fenton.	Mewhinney.	Sangster.
Bragg.	Freeborn.	Nixon.	Sewell.
Carmichael.	Kemp.	Oke.	Sinclair.
Carty.	Kennedy.	Raney.	Taylor.
Clarke.	(Peel)	Ross.	Widdifield—24.
(Northumberland)	Lang.		

NAYS.

Armstrong.	Finlayson.	Keith.	Pinard.
Belanger.	Garden.	Kennedy.	Price.
Belford.	Godfrey.	(Temiskaming)	Proulx.
Berry.	Goldie.	Lewis.	Rankin.
Black.	Gray.	Lyons.	Spence.
Brackin.	Graves.	McBrien.	Stedman.
Bradburn.	Hambly.	McCausland.	Stuart.
Callan.	Haney.	McCrea.	Sweet.
Carr.	Harcourt.	McKeown.	Tellier.
Chambers.	Heenan.	McKnight.	Thompson.
(Oxford)	Henry.	MacBride.	(Lanark)
Chambers.	Hill.	Macdiarmid.	Trewartha.
(Wellington)	Hillmer.	Mageau.	Vaughan.
Clarke.	Homuth.	Mahony.	Wallis.
(Brockville)	Ireland.	Mark.	Weichel.
Colliver.	Irvine.	Martin.	Wigle.
Cooke.	Jamieson.	Milligan.	Wilson.
Currie.	(Grey)	Monteith.	(Windsor)
Ecclestone.	Jamieson.	Morel.	Willson.
Edwards.	(Simcoe)	Nesbitt.	(Niagara Falls)
Elliott.	Johnston.	Nickle.	Wright—81.
Fallis.	Joynt.	Oakley.	
Ferguson.	Keefer.	Owens.	

PAIRS.

Sir Adam Beck.....	Lethbridge.
Acres.....	Fisher

Mr. Henry then moved in Amendment to the Amendment, seconded by Mr. Martin,

That all the words in the Amendment, after the first word "and" be omitted and that the following be substituted therefor:—"this House receives with satisfaction the announcement of the decision of Your Honour's advisors to introduce legislation, which, while maintaining the principle of the Ontario Temperance Act, will provide such amendments thereto as will help to destroy the illicit traffic in liquor and will create a greater respect for and observance of law and order."

And the Amendment to the Amendment, having been put, was carried on the following division:—

YEAS.

Armstrong.	Garden.	Kennedy.	Pinard.
Belanger.	Godfrey.	(Temiskaming)	Price.
Belford.	Goldie.	Lewis.	Proulx.
Berry.	Gray.	Lyons.	Rankin.
Black.	Graves.	McBrien.	Rowe.
Brackin.	Hambly.	McCausland.	Spence.
Bradburn.	Haney.	McCrea.	Stedman.
Carr.	Harcourt.	McKeown.	Stuart.
Chambers.	Henry.	McKnight.	Sweet.
(Oxford)	Hill.	MacBride.	Tellier.
Chambers.	Hillmer.	Macdiarmid.	Thompson.
(Wellington)	Ireland.	Mageau.	(Lanark)
Clarke.	Irvine.	Mahony.	Trewartha.
(Brockville)	Jamieson.	Mark.	Vaughan.
Colliver	(Grey)	Martin.	Weichel.
Cooke.	Jamieson.	Milligan.	Wigle.
Currie.	(Simcoe)	Monteith.	Wilson.
Ecclestone.	Johnston.	Morel.	(Windsor)
Edwards.	Joynt.	Nesbitt.	Willson.
Elliott.	Keefer.	Nickle.	(Niagara Falls)
Fallis.	Keith.	Oakley.	Wright—79.
Ferguson.	Kennedy.	Owens.	
Finlayson.	(Peel)		

NAYS.

Biggs.	Clarke.	Kemp.	Ross.
Bowman.	(Northumberland)	Lang.	Sangster.
Bragg.	Doherty.	McCallum.	Sewell.
Callan.	Fenton.	Mewhinney.	Sinclair.
Carmichael.	Freeborn.	Nixon.	Taylor.
Carty.	Heenan.	Oke.	Wallis.
	Homuth.	Raney.	Widdifield—26.

PAIRS.

Sir Adam Beck.....	Lethbridge
Acres.....	Fisher.

Mr. Pinard then moved, in Amendment to the Amendment, seconded by Mr. Brackin,

That all the words in the Amendment after the words "this House" be struck out and the following substituted therefor:—"regrets that the Speech contains no intimation of the intention of the Government to submit to this House, at the present Session, a measure providing for the sale of wine, beer and spirituous liquors under a system of Government control."

And objection being taken to the Amendment, on the ground that there was already a Notice of Motion upon the paper contemplating the ground covered by the proposed Amendment and that the Amendment was therefore out of order,

Mr. Pinard thereupon withdrew the Amendment.

Mr. Homuth then moved in Amendment, seconded by Mr. Callan,

That the following words be added to the motion as amended:—

And this House regrets that the Government has not devised some means whereby liquors may be procured for medicinal purposes only without the necessity of a doctor's prescription for same.

And upon the ground that the subject covered by the Amendment could be more properly discussed at a later stage, Mr. Homuth consented to withdraw the Amendment, which was accordingly done.

The main Motion, as amended, having been then submitted, was carried.

And it was

Resolved, That an humble Address be presented to His Honour the Lieutenant-Governor, as follows:—

To His Honour, Henry Cockshutt, Lieutenant-Governor of our Province of Ontario.

We, His Majesty's most dutiful and loyal subjects, the Legislative Assembly of the Province of Ontario, now assembled, beg leave to thank Your Honour for the gracious speech Your Honour has addressed to us. And this House receives with satisfaction the announcement of the decision of Your Honour's advisors to introduce legislation which, while maintaining the principle of the Ontario Temperance Act, will provide such amendments thereto as will help to destroy the illicit traffic in liquor and will create a greater respect for and observance of law and order.

The Address, having been read the second time, was agreed to.

Ordered, That the Address be engrossed and presented to His Honour the Lieutenant-Governor by those Members of this House who are Members of the Executive Council.

On motion of Mr. Price, seconded by Mr. Godfrey,

Ordered, That this House will on To-morrow resolve itself into the Committee of Supply.

Ordered, That this House will on To-morrow resolve itself into the Committee of Ways and Means.

The House then adjourned at 9.25 p.m.

Thursday, March 5th, 1925.

PRAYERS.

3 O'CLOCK P.M.

The following Petition was brought up and laid upon the Table:—

By Mr. Berry, the Petition of the Selkirk Baptist Church.

Mr. Nickle, from the Standing Committee on Private Bills, presented their Second Report, which was read as follows and adopted:—

Your Committee beg to report the following Bills, with certain amendments:—

Bill (No. 4), An Act respecting the City of Windsor.

Bill (No. 9), An Act to incorporate the City of North Bay.

Bill (No. 10), An Act respecting the City of Toronto.

Your Committee recommend that the fees, less the actual cost of printing, be remitted on Bill (No. 17), "An Act to incorporate the Village of Comber," the same having been withdrawn by the promoters thereof.

Ordered, That the fees, less the actual cost of printing, be remitted on Bill (No. 17), To incorporate the Village of Comber.

The following Bills were severally introduced and read the first time:—

Bill (No. 103), intituled "An Act to amend the Consolidated Municipal Act, 1922." *Mr. Haney*.

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 104), intituled "The Ontario Land Surveyors' Act, 1925." *Mr. Gray*.

Ordered, That the Bill be read the second time To-morrow.

Mr. Goldie presented to the House, by command of His Honour the Lieutenant-Governor:—

Public Accounts of the Province of Ontario for the twelve months ending October 31st, 1924. (*Sessional Papers, No. 1.*)

Ordered, That the Public Accounts of the Province be referred to the Standing Committee on Public Accounts.

Mr. Ferguson delivered to Mr. Speaker a message from the Lieutenant-Governor, signed by himself; and the said message was read by Mr. Speaker, and is as follows:—

H. COCKSHUTT.

The Lieutenant-Governor transmits Supplementary Estimates of certain sums required for the service of the Province for the year ending 31st October, 1925, and recommends them to the Legislative Assembly.

GOVERNMENT HOUSE,
Toronto, March 5th, 1925.

(*Sessional Papers, No. 2.*)

Ordered, That the message of the Lieutenant-Governor, together with the estimates accompanying the same, be referred to the Committee of Supply.

The Order of the Day for the House to resolve itself into the Committee of Supply, having been read,

Mr. Price moved,

That Mr. Speaker do now leave the Chair and that the House do resolve itself into the Committee of Supply.

And a Debate having ensued, it was, on the motion of Mr. Sinclair,

Ordered, That the Debate be adjourned until Tuesday next.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Report of the Inspector of Registry Offices for the year 1924. (*Sessional Papers, No. 7.*)

The House then adjourned at 6.10 p.m.

Friday, March 6th, 1925.

PRAYERS.

3 O'CLOCK P.M.

The following Petition was brought up and laid upon the Table:—

By Mr. Vaughan, the Petition of the Welland City Prohibition Union.

The following Petitions were read and received:—

Of the East Wellington Prohibition Association. Also, Of the Sunday School and Young People's Society of the Mount Forest Baptist Church. Also, Of the Regular Baptist Church, Mount Forest, severally praying that only such amendments be made to the Ontario Temperance Act as will strengthen its prohibitory provisions.

Mr. Lewis, from the Standing Committee on Standing Orders, presented their Third Report, which was read as follows and adopted:—

Your Committee have carefully examined the following Petitions and find the Notices as published in each case sufficient:—

Of the Town Council of Tecumseh, praying that an Act may pass to provide for the separation of the Town from the County of Essex for Municipal purposes.

Of the Municipality of Shuniah, praying that an Act may pass to validate and confirm all tax sales and deeds prior to 31st December, 1923, and to amend Act organizing Municipality.

Of the Town Council of Brampton, praying that an Act may pass authorizing the Corporation to sell any or all of the houses erected by the Housing Commission.

Of the Town Council of Sturgeon Falls, praying that an Act may pass to ratify and confirm certain By-laws.

Of the Village Council of Forest Hill, praying that an Act may pass empowering the Council of the Village to combine the Offices of Collector and Treasurer, to sell land for taxes and for other purposes.

Of Mary Catherine Merritt and others of St. Catharines, praying that an Act may pass to confirm an Agreement of Compromise *re* the estate of the late Thomas Nihan.

Of the Town Council of Timmins, praying that an Act may pass to ratify and confirm a certain By-law.

Of the City Council of London, praying that an Act may pass to authorize the Council to guarantee payment to the extent of \$50,000 by the London Railway Commission and for other purposes.

Of the Township Council of East York, praying that an Act may pass to ratify and confirm certain By-laws and for other purposes.

Of the Township Council of Stamford, praying that an Act may pass to ratify and confirm certain Agreements.

Your Committee recommend that Rule No. 51 of Your Honourable House be further suspended in this, that the time for presenting Petitions for Private Bills be further extended until and inclusive of Wednesday, the 11th day of March, instant.

Ordered, That the time for presenting Petitions for Private Bills be further extended until and inclusive of Wednesday, the 11th day of March, instant.

The following Bills were severally introduced and read the first time:—

Bill (No. 19), intituled "An Act respecting the Village of Forest Hill." *Mr. Keith.*

Referred to the Committee on Private Bills.

Bill (No. 23), intituled "An Act respecting the Town of Tecumseh." *Mr. Wilson (Windsor).*

Referred to the Committee on Private Bills.

Bill (No. 28), intituled "An Act respecting the Township of Stamford." *Mr. Willson (Niagara Falls).*

Referred to the Committee on Private Bills.

Bill (No. 31), intituled "An Act to confirm Family Arrangement in respect of the Estate of Thomas Nihan, deceased." *Mr. Graves.*

Referred to the Commissioners of Estate Bills.

Bill (No. 33), intituled "An Act respecting the Town of Sturgeon Falls." *Mr. Mageau.*

Referred to the Committee on Private Bills.

Bill (No. 34), intituled "An Act respecting the City of London." *Mr. Elliott.*

Referred to the Committee on Private Bills.

Bill (No. 36), intituled "An Act respecting the Town of Timmins." *Mr. Lang.*

Referred to the Committee on Private Bills.

Bill (No. 40), intituled "An Act respecting the Municipality of Shuniah." *Mr. Keefer.*

Referred to the Committee on Private Bills.

Bill (No. 42), intituled "An Act respecting the Township of East York." *Mr. Keith.*

Referred to the Committee on Private Bills.

Bill (No. 105), intituled "An Act to amend the Hospitals and Charitable Institutions Act." *Mr. McBrien.*

Ordered, That the Bill be read the second time on Tuesday next.

Bill (No. 106), intituled "An Act to amend the Consolidated Municipal Act, 1922." *Mr. McBrien.*

Ordered, That the Bill be read the second time on Tuesday next.

Bill (No. 107), intituled "An Act to amend the Public Health Act." *Mr. Sinclair.*

Ordered, That the Bill be read the second time on Tuesday next.

Bill (No. 108), intituled "An Act to amend the Ontario Insurance Act, 1924." *Mr. Sinclair.*

Ordered, That the Bill be read the second time on Tuesday next.

Mr. Fenton asked the following Question:—

1. What are the duties of Mr. Frank H. Keefer, M.P.P., as Legislative Secretary for Northern Ontario. 2. What written report, if any, has he made to the Government since his appointment to that office. 3. What Legislation, if any, has he drafted. 4. What amounts have been paid to him by the Government (in addition to his sessional indemnity) since his appointment to that office:—(a) for salary; (b) for expenses.

And the Minister of Lands and Forests replied as follows:—

1. The duties of the Legislative Secretary for Northern Ontario are set out in 14 George V, chapter 6, section 2. 2. The Annual Report of the Legislative Secretary for the year 1924, and Reports on the diversion of water from the Great Lakes by the City of Chicago, also reports from time to time to the various ministers. 3. The Legislative Secretary is not charged with the duty of drafting Legislation. 4. This question was answered on February 20th. See "Votes and Proceedings."

Mr. Ross asked the following Question:—

1. How many doctors exceeded the limit of fifty prescriptions on the liquor dispensaries, (a) for the past fiscal year; (b) for the month of December, 1924. 2. How many exceeded sixty, and how many seventy-five for each of these periods.

To which the Attorney-General replied in the words following:—

1. There is no authorized number of prescriptions that may be issued on the liquor dispensaries by a doctor. Each prescription stands on its own merits and in part reads as follows:—"I certify that the amount of liquor hereby prescribed is the minimum quantity necessary for the patient for whom it is ordered." During the past fiscal year, November 1st, 1923, to October 31st, 1924, there have been reported 1,140 instances of doctors exceeding fifty prescriptions on the liquor dispensaries *per* month. It is to be noted, however, that in some instances the same doctor has exceeded this number more than once. During the month of December, 1924, there have been 352 instances of doctors exceeding fifty prescriptions on the liquor dispensaries. 2. Exceeding sixty—for the past fiscal year, eighty-eight; for the month of December, 1924, forty-nine. Exceeding seventy-five—for the past fiscal year, twenty-five; for the month of December, 1924, seven. The note with regard to the same

doctors having been reported more than once in No. 1 applies to the figures for the fiscal year in this answer. The figures for the fiscal year in this answer are not included in the 1,140 given in No. 1.

Mr. Taylor asked the following Question:—

1. Has W. S. Beamish, the Conservative candidate for Kent East, in the general election of 1923, been employed since that date by the Government. 2. If so, in what Departments. 3. How much has been paid to Mr. Beamish by the Government, (a) for services; (b) for expenses.

And the Minister of Public Works and Highways replied:—

1. No. 2. Answered by No. 1. 3. Answered by No. 1.

Mr. Kemp asked the following Question:—

1. Were a large number of informations for breaches of the Ontario Temperance Act laid before Police Magistrate Gundy, at Windsor, in the month of July or August last. 2. How many such informations were laid during those months. 3. How many were withdrawn, and why. 4. What counsel acted for the Government and the defendants, respectively, in the said cases.

To which the Attorney-General replied in the words following:—

1. Yes. 2. One hundred and five. 3. Forty-four. In a number of cases which were tried the Magistrate refused to accept the evidence produced as warranting a conviction and as the evidence in the other cases was similar they were withdrawn. 4. J. C. Makins, K.C., Stratford, G. A. Urquhart, Crown Attorney, for Government; R. L. Bracken, K.C., W. H. Furlong, F. W. Wilson, for defence.

Mr. Lang asked the following Question:—

1. Are the duties of the Deputy Head of the Provincial Secretary's Department defined by law. 2. If so, what are they. 3. Are the duties of the Inspector and the Assistant Provincial Secretary defined by law. 4. Does the Deputy Head have priority over the Inspector and the Assistant Provincial Secretary.

And the Provincial Secretary replied:—

1. Yes. 2. As set out in the Public Service Act (chapter 14, section 10, subsection 3, R.S.O. 1914). 3. Yes, the Inspector of Hospitals for the Insane (chapter 295, section 2 (c), R.S.O. 1914), the Inspector of Prisons and Public Charities (chapter 301, section 6, R.S.O. 1914). 4. Yes as to Inspectors, and no as to the Assistant Provincial Secretary, with respect to matters specially assigned to him.

Mr. Mewhinney asked the following Question:—

1. Has G. B. Nicholson paid to the Government the sum of \$30,000 agreed upon by the late Government as the amount due to the Province in respect of indebtedness to the Department of Lands and Forests. 2. If not, what steps has the Government taken to collect the same.

And the Minister of Lands and Forests replied as follows:—

Questions 1 and 2. The late Government made a demand upon Austin and Nicholson for payment amounting to \$2,831,539 and afterward reduced same to \$136,048.18 and subsequently settled the account at \$32,504.04, and in consideration of Austin and Nicholson agreeing to pay this sum they were given cutting rights upon portions of four additional townships upon the basis of prices paid for timber on their adjoining territories purchased thirteen years ago. The present Government refused to recognize this improvident agreement and cancelled the valuable cutting rights provided for in the agreement and insisted upon the payment of \$3,624.03 due the Department for trespass.

Mr. Fenton asked the following Question:—

1. When were the liquor dispensaries established. 2. What is the quantity of (a) wine, (b) beer, and (c) other liquors sold by the liquor dispensaries for each fiscal year since their establishment. 3. What were the total receipts of the liquor dispensaries for each such year.

And the Attorney-General replied:—

These same questions were asked by Mr. Widdifield and were answered on Friday, the 27th February, 1925, (see "Votes and Proceedings," pages 117 and 118.) In answering these questions, however, an error was made with regard to the sale of all other liquors for the year November 1st, 1923, to October 31st, 1924, Question 2, which should have been 246,773 gallons instead of 218,750 gallons.

On motion of Mr. Mageau, seconded by Mr. Sinclair,

Ordered, That there be laid before this House a Return showing what amount has been expended by the Province of Ontario in (a) the provisional electoral district of Algoma, (b) the provisional electoral district of Sudbury, (c) the provisional electoral district of Sault Ste. Marie, (d) the provisional electoral district of Manitoulin, on account of (1) Colonization roads, (2) roads under authority of by-laws, (3) trunk roads, (4) work or construction of any other kind, authorized or coming under the Northern and Northwestern Ontario

Development Act, in each of the following years: 1905, 1906, 1907, 1908, 1909, 1910, 1911, 1912, 1913, 1914, 1915, 1916, 1917, 1918, 1919, 1920, 1921, 1922, 1923 and 1924; also the provisional electoral district of Nipissing for 1924, and the provisional electoral district of Sturgeon Falls for 1924.

On motion of Mr. Mewhinney, seconded by Mr. Sinclair,

Ordered, That there be laid before the House a Return showing all requests by the Minister of Highways under the Ontario Highways Act, 1924, 14 Geo. V, cap. 28, that the Highway Committee consult with him as to the administration of Acts of the Legislature respecting the construction, maintenance and operation of highways by municipal corporations or the Province, and for a Return of all recommendations and suggestions made by said Committee to the Minister in consequence of such requests for improvements and amendments in said Acts and the administration of the same, and for a Return showing all requests of the Minister that said Committee personally visit and inspect any highway or district through which it was proposed to construct, improve or extend any highway under any of said Acts and for a Return showing all reports of said Committee made to the Minister in consequence thereof.

On motion of Mr. Freeborn, seconded by Mr. Raney,

Ordered, That there be laid before the House a Return showing: 1. What amounts of money have been paid by the Hydro-Electric Power Commission for fire insurance premiums each year during the past ten fiscal years. 2. What amounts have been received by the Commission during the same period from the insurance companies for losses by fire. 3. What amounts of money have been paid by the Province of Ontario for fire insurance premiums each year during the past ten fiscal years. 4. What amounts have been received by the Province of Ontario during the same period from the insurance companies for losses by fire.

The following Bills were severally read the second time:—

Bill (No. 2), To incorporate the Village of Ripley.

Referred to a Committee of the Whole House on Tuesday next.

Bill (No. 26), To authorize John McRobie to make application to practise optometry.

Referred to a Committee of the Whole House on Tuesday next.

Bill (No. 4), Respecting the City of Windsor.

Referred to a Committee of the Whole House on Tuesday next.

Bill (No. 9), To incorporate the City of North Bay.

Referred to a Committee of the Whole House on Tuesday next.

Bill (No. 10), Respecting the City of Toronto.

Referred to a Committee of the Whole House on Tuesday next.

Bill (No. 98), To amend the Ontario Companies Act.

Referred to a Committee of the Whole House on Tuesday next.

Bill (No. 99), To amend the Surrogate Courts Act.

Referred to a Committee of the Whole House on Tuesday next.

The House resolved itself into a Committee to consider Bill (No. 91), To amend the Landlord and Tenant Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Black reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith,

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time on Tuesday next.

The House resolved itself into a Committee to consider Bill (No. 93), To amend the Workmen's Compensation Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Black reported, That the Committee had directed him to report the Bill.

Ordered, That the Bill be read the third time on Tuesday next.

The House resolved itself into a Committee, severally to consider the following Bills:—

Bill (No. 1), Respecting the Corporation of the Municipality of Paipoonge.

Bill (No. 7), To confirm By-law No. 567 of the Town of Harriston.

Mr. Speaker resumed the Chair; and Mr. Black reported, That the Committee had directed him to report the several Bills without amendments.

Ordered, That the Bills reported, be severally read the third time on Tuesday next.

On motion of Mr. Ferguson, seconded by Mr. Nickle,

Ordered, That when this House adjourns To-day, it do stand adjourned until Tuesday next, the 10th day of March, instant, at three of the clock in the afternoon.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Annual Report of the Department of Labour, Province of Ontario, 1924. (*Sessional Papers, No. 15*).

Also,—Annual Report of the Provincial Board of Health for the year 1924. (*Sessional Papers, No. 20*).

The House then adjourned at 4.25 p.m.

Tuesday, March 10th, 1925.

PRAYERS.

3 O'CLOCK P.M.

Mr. Speaker informed the House:—

That the Clerk had received from the Commissioners of Estate Bills, their Reports in the following cases:—

Bill (No. 35), Respecting the Town of Hawkesbury, and

Bill (No. 31), To confirm Family Arrangement in respect of the Estate of Thomas Nihan, deceased.

The Reports were then read by the Clerk at the Table, as follows:—

We, The Honourable Sir William Mulock, Chief Justice of Ontario, and The Honourable William Edward Middleton, Justice of Appeal, two of the Commissioners of Estate Bills having had forwarded to us Bill (No. 35), Respecting the Town of Hawkesbury and the Petition upon which the same is founded, Do Report to the House our opinion thereon pursuant to the rules of the House relative to Estate Bills.

From the Petition for the said Bill it appears that certain land situate in the Town of Hawkesbury and owned by the Riordon Pulp & Paper Company Limited was mortgaged on the 5th day of March, 1919, to the Montreal Trust Company as security for an issue of bonds made by the Riordon Company; and that the said lands were further mortgaged to the Royal Trust Company on the 6th day of March, 1919, as security for a further issue of bonds of the said Riordon Company, both of the said mortgages being duly registered; that thereafter the said Riordon Company, without the consent of the said mortgagees as required by law, caused a plan of subdivision of part of the said lands to be registered; that thereafter the said Riordon Company on the 24th September, 1919, conveyed to a subsidiary company known as "The Riordon Annex Housing Company, Limited," certain of the lots shown upon the said plan in consideration of the sum of \$9,900 and that thereafter, on the 5th of September, 1919, the last named company executed an agreement of that date by which the said lands were charged with the sum of \$125,000 in favour of the Town of Hawkesbury, this sum being advanced by the said Town for the erection of houses upon the said land; that thereafter on the 21st of August, 1924, the Town of Hawkesbury offered to pay the sum of \$9,900, the amount of the purchase price of the said lands for a release of the same from the said two Trust Mortgages, but this was refused by the said two Trust Companies and the said mortgages being in default the Royal Trust Company sold the said lands and certain streets shown upon said plan to one Wallace Donhan.

What is sought by the Bill is that these lands be vested in the said Town of Hawkesbury freed and discharged from the said two debenture mortgages subject to payment to the said Trust Companies of a sum not exceeding \$9,900 in the event of a deficiency of assets upon realization of the other property under the said two debenture mortgages and also vesting in the Town of Hawkesbury the streets shown upon the said improperly registered plan free from all claims under the said two mortgages.

The Mortgagees are entitled to hold the said mortgaged lands with all improvements thereon as security for their mortgage debts, and, therefore, in the opinion of your Commissioners, it is not reasonable that the said Bill should pass into law.

As witness our hands this 9th day of March, A.D. 1925.

(Signed) W. MULOCK.

W. E. MIDDLETON.

We, The Honourable William Edward Middleton, Justice of Appeal, and The Honourable Robert Grant Fisher, Justice of the Supreme Court, two of the Commissioners of Estate Bills having had forwarded to us Bill (No. 31), To confirm a family arrangement in respect of the estate of Thomas Nihan, deceased, and the Petition upon which the same is founded, Do Report to the House our opinion thereon pursuant to the rules of the House relative to Estate Bills.

The said Bill is for the purpose of giving effect to a family arrangement arrived at to settle litigation concerning the validity of the last will and testament of the late Thomas Nihan. The said family arrangement has been approved by the Court as being a fair and reasonable settlement of the litigation and only needs confirmation by the Legislature, because of the uncertainty of the power of the Court to confirm such a settlement in a way that will be binding upon unborn persons who may in the ultimate result be entitled to share in the estate.

In the opinion of your Commissioners, it is reasonable that the Bill should pass into law and, in our opinion, the provisions thereof are proper for carrying its purpose into effect without alteration or amendment.

As witness our hands this 9th day of March, A.D. 1925.

(Signed) W. E. MIDDLETON, J.A.

R. G. FISHER, J.

Mr. Speaker then informed the House:—

That the Clerk had received from the Railway and Municipal Board, their Report in the following case:—

Bill (No. 13), To consolidate the floating debt of the Town of Gravenhurst.

The Report was then read by the Clerk at the Table, as follows:—

To the Honourable, The Legislative Assembly of the Province of Ontario.

Upon the reference under Rule 61a of your Honourable House to The Ontario Railway and Municipal Board of Bill No. 13 (1925), entitled "An Act to consolidate the Floating Debt of the Town of Gravenhurst," the Board begs leave respectfully to report that in the judgment of the Board it is reasonable that such Bill should be passed by your Honourable House as amended.

The floating debt of \$8,000 referred to in the Bill should in the ordinary course have been paid out of taxes, and for this reason the Board is of opinion

that the debentures should be made payable in not more than five years from the date of issue.

All of which is respectfully submitted.

D. M. McINTYRE,
Chairman.

A. B. INGRAM,
Vice-Chairman.

J. A. ELLIS,
Commissioner.

Dated at Toronto,
this 10th day of March, A.D. 1925.

Ordered, That Bill (No. 31), To confirm Family Arrangement in respect of the Estate of Thomas Nihan, deceased, be referred to the Committee on Private Bills, with instructions to consider the same with reference to the suggestions of the Commissioners of Estate Bills thereon.

Ordered, That Bill (No. 13), To consolidate the Floating Debt of the Town of Gravenhurst, be referred to the Committee on Private Bills, with instructions to consider the same with reference to the suggestions of the Railway and Municipal Board thereon.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Lewis, the Petition of Francis Gordon Osler and others of Toronto.

By Mr. Macdiarmid, two Petitions of Thomas McMillan and others of Toronto.

By Mr. Heenan, The Petition of the Presbytery of Superior.

By Mr. Finlayson, the Petition of the Prohibition Union of Coldwater; also, the Petition of the Penetanguishene Methodist Church.

By Mr. Proulx, the Petition of the Vankleek Hill W.C.T.U.

By Mr. Belanger, the Petition of the Osgoode Baptist Church.

By Mr. Mahoney, the Petition of the Lyndon Methodist Church.

By Mr. Nesbitt, the Petition of the City Council of Toronto.

The following Petitions were read and received:—

Of the Selkirk Baptist Church: Also, of the Welland City Prohibition Union, severally praying that only such amendments be made to the Ontario Temperance Act as will strengthen its prohibitory provisions.

Mr. Nickle, from the Standing Committee on Private Bills, presented their Third Report, which was read as follows and adopted:—

Your Committee beg to report the following Bills without amendment:—

Bill (No. 39), An Act respecting the City of Toronto.

Bill (No. 49), An Act to further amend the Act incorporating the St. Patrick's Asylum of Ottawa.

Your Committee recommend that the fees, less the actual cost of printing, be remitted on Bill (No. 49), "An Act to further amend the Act incorporating the St. Patrick's Asylum of Ottawa," on the ground that it is one relating to a charitable institution.

Ordered, That the fees, less the actual cost of printing, be remitted on Bill (No. 49), To further amend the Act incorporating the St. Patrick's Asylum of Ottawa.

The following Bills were severally introduced and read the first time:—

Bill (No. 109), intituled "An Act to amend the Ontario Public Service Act." *Mr. Goldie*.

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 110), intituled "An Act to amend the Public Health Act." *Mr. Keith.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 111), intituled "An Act to amend the Cemetery Act." *Mr. Sweet.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 112), intituled "An Act to amend the Consolidated Municipal Act, 1922." *Mr. Proulx.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 113), intituled "An Act to amend the Succession Duty Act." *Mr. Price.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 114), intituled "An Act to amend the Audit Act." *Mr. Price.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 115), intituled "An Act to amend the Legislative Assembly Act." *Mr. Ferguson.*

On motion of Mr. Ferguson, seconded by Mr. Henry,

Ordered, That the Rules of the House be suspended and that Bill (No. 115) be passed through all its stages and be prepared for the Royal Assent.

The Bill was then read the second time and referred forthwith to a Committee of the Whole House.

The House accordingly resolved itself into the Committee to consider Bill (No. 115), To amend the Legislative Assembly Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time forthwith.

The Bill was then read the third time, and passed.

The Order of the Day for Mr. Speaker to leave the Chair and the House to resolve itself into the Committee of Supply, having been read,

The Debate was resumed,

And after some time, it was, on the motion of Mr. Thompson (Lanark),

Ordered, That the Debate be adjourned until To-morrow.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Statement showing all sums credited to the Highway Improvement Fund and all sums chargeable thereto, for the fiscal year ending October 31st, 1924. (*Sessional Papers, No. 14.*)

The House then adjourned at 10.50 p.m.

Wednesday, March 11th, 1925.

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Keith, the Petition of the Township Council of York.

By Mr. Patterson, the Petition of the Reaboro Baptist Church; also, the Petition of the Pencil Sunday School.

By Mr. Jamieson (Simcoe), the Petition of the Gospel Workers Church, Collingwood.

By Mr. Wigle, the Petition of the Nile Methodist Sunday School, Huron County; also, the Petition of the Loyalty Council, Royal Templars of Temperance, Clinton.

By Mr. Belanger, the Petition of the Russel Baptist Church; also, the Petition of the Rockland Baptist Sunday School.

By Mr. Lewis, the Petition of the Carlton Street Methodist Church; also, the Petition of the Danforth Avenue Baptist Church.

Mr. Lewis, from the Standing Committee on Standing Orders, presented their Fourth Report, which was read as follows and adopted:

Your Committee have carefully examined the following Petitions and find the Notices as published in each case sufficient;

Of the City Council of Sarnia, praying that an Act may pass limiting the number of Aldermen to eight members and for other purposes;

Of the City Council of Windsor and the Water Commissioners, praying that an Act may pass to amend Chapter 56 of 61 Vic. and Cap. 128 of II Geo. V., relating to raising money for waterworks purposes;

Of the City Council of Sault Ste. Marie, praying that an Act may pass to ratify and confirm certain By-laws;

Of the Evangelical Lutheran Synod of Canada, praying that an Act may pass to amend the Act incorporating the Synod;

Of the Journeymen Barbers Federation of Ontario, praying that an Act may pass to incorporate them;

Of the Town Council of Weston, praying that an Act may pass empowering the Town to purchase a portion of the Toronto Suburban Line and for other purposes;

Of the Township Council of York, praying that an Act may pass empowering the Council to enter into agreements for the purchase of the Toronto Suburban Road on Weston Road and for other purposes;

Of the City Council of Ottawa, praying that an Act may pass to authorize the issue of debentures and for other purposes;

Of the City Council of Ottawa, praying that an Act may pass to incorporate the Ottawa Charitable Foundation;

Of the City Council of Oshawa, praying that an Act may pass respecting the laying of sewers;

Of the Roman Catholic Episcopal Corporation of the Diocese of Toronto, praying that an Act may pass respecting the renovation and reconstruction of St. Michael's Cemetery of the City of Toronto;

Of the City Council of Hamilton, praying that an Act may pass authorizing the passing of a certain By-law providing for bathing facilities;

Of Francis Gordon Osler and others, praying that an Act may pass authorizing and empowering the Executors of the Estate of the late Edmund B. Osler to appropriate out of the corpus of the Estate certain property for the purpose of a Memorial Park to the City of Toronto;

Of Thomas McMillan and others of Toronto, praying that an Act may pass to confirm title to property within Ontario held by the Presbyterian Church in Canada and to afford certain privileges;

Your Committee recommend that Rule No. 51 of your Honourable House be further suspended in this that the time for presenting petitions for Private Bills be further extended until and inclusive of Friday the 13th day of March instant.

Ordered, That the time for presenting Petitions for Private Bills be further extended until and inclusive of Friday the 13th day of March, instant.

The following Bills were severally introduced and read the first time:—

Bill (No. 6), intituled "An Act to incorporate the Evangelical Lutheran Synod of Canada." *Mr. Weichel.*

Referred to the Committee on Private Bills.

Bill (No. 12), intituled "An Act respecting the City of Sarnia." *Mr. Haney.*

Referred to the Committee on Private Bills.

Bill (No. 25), intituled "An Act respecting the City of Windsor." *Mr. Wilson (Windsor).*

Referred to the Committee on Private Bills.

Bill (No. 43), intituled "An Act to incorporate the Barbers of the Province of Ontario." *Mr. Nesbitt.*

Referred to the Committee on Private Bills.

Bill (No. 44), intituled "An Act respecting the Town of Weston." *Mr. Keith.*

Referred to the Committee on Private Bills.

Bill (No. 45), intituled "An Act respecting the City of Sault Ste. Marie." *Mr. Haney.*

Referred to the Committee on Private Bills.

Bill (No. 46), intituled "An Act respecting the Township of York." *Mr. Keith.*

Referred to the Committee on Private Bills.

Bill (No. 47), intituled "An Act to incorporate the Ottawa Charitable Foundation." *Mr. Fisher.*

Referred to the Committee on Private Bills.

Bill (No. 48), intituled "An Act respecting the City of Ottawa." *Mr. Fisher.*

Referred to the Committee on Private Bills.

Bill (No. 53), intituled "An Act to amend an Act respecting the City of Oshawa." *Mr. Sinclair.*

Referred to the Committee on Private Bills.

Bill (No. 54), intituled "An Act respecting Saint Michael's Cemetery in the City of Toronto." *Mr. McCausland.*

Referred to the Committee on Private Bills.

Bill (No. 56), intituled "An Act respecting the City of Hamilton." *Mr. Garden.*

Referred to the Committee on Private Bills.

Bill (No. 58), Respecting the Town of Brampton. *Mr. Kennedy.*

Referred to the Committee on Private Bills.

Bill (No. 59), intituled "An Act to enable the Executors of the late Edmund Boyd Osler to make a certain gift out of his Estate for Public purposes." *Mr. Lewis.*

Referred to the Commissioners of Estate Bills.

Bill (No. 117), intituled "An Act respecting the Property in Ontario and the Civil Rights in Ontario, of members of the Presbyterian Church in Canada." *Mr. Macdiarmid.*

Referred to the Committee on Private Bills.

Bill (No. 119), intituled "An Act to amend the Pounds Act." *Mr. Bowman.*

Ordered, That the Bill be read the second time To-morrow.

The following Bills were severally read the third time and passed:—

Bill (No. 72), To amend the Bills of Sale and Chattel Mortgages Act.

Bill (No. 75), Respecting the Registry Offices for the City of Kingston and the County of Frontenac.

Bill (No. 78), To amend the Provincial Land Tax Act, 1924.

Bill (No. 80), Respecting the Adoption of Children.

Bill (No. 81), To authorize a special rate for Works undertaken to relieve Unemployment.

Bill (No. 71), To amend the Agricultural Development Act, 1921.

Bill (No. 64), To amend the Public Lands Act.

Bill (No. 65), To amend the Land Titles Act.

Bill (No. 67), To amend the Corporations Tax Act.

Bill (No. 77), To amend the Act respecting the suppression of Foul Brood among Bees.

Bill (No. 74), To amend the Ontario Telephone Act, 1918.

Bill (No. 84), To amend the Trustee Act.

Bill (No. 91), To amend the Landlord and Tenant Act.

Bill (No. 93), To amend the Workmen's Compensation Act.

The House resolved itself into a Committee, severally to consider the following Bills:—

Bill (No. 4), An Act respecting the City of Windsor.

Bill (No. 2), An Act to incorporate the Village of Ripley.

Bill (No. 26), An Act to authorize John McRobie to make application to practice Optometry.

Bill (No. 10), An Act respecting the City of Toronto.

Bill (No. 9), An Act to incorporate the City of North Bay.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the several Bills without amendments.

Ordered, That the Bills reported, be severally read the third time To-morrow.

His Honour the Lieutenant-Governor entered the Chamber of the Legislative Assembly and took his seat upon the Throne.

Mr. Speaker then addressed His Honour as follows:—

May it please Your Honour.

The Legislative Assembly of the Province, having at its present Sittings passed certain Bills, to which on behalf and in the name of the said Assembly, I respectfully request Your Honour's Assent.

The Clerk Assistant then read the Titles of the Acts that had passed as follows:—

An Act to amend the Legislative Assembly Act.

An Act to amend the Bills of Sale and Chattel Mortgages Act.

An Act respecting the Registry Offices for the City of Kingston and the County of Frontenac.

An Act to amend the Provincial Land Tax Act, 1924.

An Act respecting the Adoption of Children.

An Act to authorize a special rate for Works undertaken to relieve Unemployment.

An Act to amend the Agricultural Development Act, 1921.

An Act to amend the Public Lands Act.

An Act to amend the Land Titles Act.

An Act to amend the Corporations Tax Act.

An Act to amend the Act respecting the suppression of Foul Brood among Bees.

An Act to amend the Ontario Telephone Act, 1918.

An Act to amend the Trustee Act.

An Act to amend the Landlord and Tenant Act.

An Act to amend the Workmen's Compensation Act.

To these Acts the Royal Assent was announced by the Clerk of the Legislative Assembly in the following words:—

In His Majesty's name, His Honour the Lieutenant-Governor doth assent to these Acts.

His Honour was then pleased to retire.

The following Bill was read the second time:—

Bill (No. 103), To amend the Consolidated Municipal Act, 1922.

Referred to the Municipal Committee.

On motion of Mr. Price, seconded by Mr. Martin,

Ordered, That this House do forthwith resolve itself into a Committee to consider certain proposed Resolutions respecting the guarantee of payment of certain Debentures.

Mr. Ferguson acquainted the House that His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed Resolutions, recommends them to the consideration of the House.

The House then resolved itself into the Committee.

(In the Committee.)

Resolved, 1. That the Lieutenant-Governor in Council may authorize the Treasurer of Ontario to guarantee payment on behalf of the Province of Ontario of the debentures issued or to be issued under,—

(a) By-law No. 179 of the Municipal Corporation of the Town of Englehart, to provide for the borrowing of \$7,500 for the erection of a town hall and fire hall.

(b) By-law No. 179a of the Municipal Corporation of the Town of Englehart, to provide for the borrowing of \$15,000 for the extension of its waterworks and sewerage system.

(c) By-law No. 192 of the Municipal Corporation of the Town of Englehart, to provide for the borrowing of \$3,800 to pay for extension of waterworks system.

2. That the form of guarantee and manner of its execution shall be determined by the Lieutenant-Governor in Council.

Mr. Speaker resumed the Chair, and Mr. Jamieson (Grey) reported, That the Committee had come to certain Resolutions.

Ordered, That the Report be now received.

Mr. Jamieson (Grey) reported the Resolutions as follows:—

Resolved, 1. That the Lieutenant-Governor in Council may authorize the Treasurer of Ontario to guarantee payment on behalf of the Province of Ontario of the debentures issued or to be issued under,—

(a) By-law No. 179 of the Municipal Corporation of the Town of Englehart, to provide for the borrowing of \$7,500 for the erection of a town hall and fire hall.

(b) By-law No. 179a of the Municipal Corporation of the Town of Englehart, to provide for the borrowing of \$15,000 for the extension of its waterworks and sewerage system.

(c) By-law No. 192 of the Municipal Corporation of the Town of Englehart, to provide for the borrowing of \$3,800 to pay for extension of waterworks system.

2. That the form of guarantee and manner of its execution shall be determined by the Lieutenant-Governor in Council.

The Resolutions having been read the second time, were agreed to, and referred to the Committee of the Whole House on Bill (No. 120), Respecting the guarantee of certain Debentures.

The following Bill was then introduced and read the first time:—

Bill (No. 120), intituled "An Act to authorize the Lieutenant-Governor in Council to guarantee payment of certain Debentures." *Mr. Price.*

Ordered, That the Bill be read the second time To-morrow.

The Order of the Day for Mr. Speaker to leave the Chair and that the House resolve itself into the Committee of Supply, having been read,

The Debate was resumed,

And, after some time, it was, on the motion of Mr. Ferguson,

Ordered, That the Debate be further adjourned until To-morrow.

The House then adjourned at 6 p.m.

Thursday, March 12th, 1925.

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Finlayson, the Petition of the Hawestone Circuit Methodist Church.

By Mr. Clarke (Brockville), the Petition of the Official Board of the Frankville and Toledo Methodist Church.

By Mr. Fallis, the Petition of the Port Hope Baptist Church.

By Mr. Harcourt, the Petition of James Arthurs and others of Toronto.

By Mr. Colliver, the Petition of the Wellington Methodist Church; also, the Petition of the Methodist Sunday School, Bloomfield; also, the Petition of the Bloomfield Methodist Church Board; also, the Petition of the Wellington Society of Friends; also, the Petition of the Youmans Y.W.C.T.U.; also, the Petition of the Picton Women's Christian Temperance Union; also, the Petition of the Official Board of the Consecon United Church; also, the Petition of the Women's Christian Temperance Union of the Counties of Hastings, Lennox and Addington and Prince Edward; also, the Petition of the Rednersville Sunday School.

By Mr. Sangster, the Petition of the Pic Nic Grove Young Women's Auxiliary, Glengarry; also, the Petition of the Maxville Y.W. Missionary Society; also, the Petition of Maxville Main Street Baptist Church; also the Petition of the Glengordon W.M.S., Lancaster.

By Mr. Keith, the Petition of the Keswick W.C.T.U.

By Mr. Mahoney, the Petition of the Jerseyville, Zion Hill and Trinity Churches of the Methodist Circuit of Ancaster.

By Mr. Mark, the Petition of the Fenelon Falls W.C.T.U.

The following Petitions were read and received:—

Of Francis Gordon and others, praying that an Act may pass authorizing and empowering the Executors of the Estate of the late Edmund B. Osler to appropriate out of the Corpus of the Estate certain property for the purpose of a Memorial Park to the City of Toronto.

Of Thomas McMillan and others, praying that the Bill before the House relating to the Presbyterian Church in Canada may not pass.

Of Thomas McMillan and others of Toronto, praying that an Act may pass to confirm title to property within Ontario held by the Presbyterian Church in Canada and to afford certain privileges.

Of the City Council of Toronto, praying that an Act may pass to authorize the issue of certain By-laws.

Of the Prohibition Union of Coldwater; also, of the Penetanguishene Methodist Church; also, of the Presbytery of Superior; also, of the Vankleek Hill W.C.T.U.; also, of the Osgoode Baptist Church; also, of the Official Board of the Lynden Methodist Church, praying that the Government pass only such amendments to the Ontario Temperance Act as will strengthen its prohibitory provisions.

Mr. Nickle, from the Standing Committee on Private Bills, presented their Fourth Report, which was read as follows and adopted:—

Your Committee beg to report the following Bills with certain amendments—

Bill (No. 8), An Act to amend an Act respecting the Hamilton Young Women's Christian Association.

Bill (No. 16), An Act respecting the City of Owen Sound.

Bill (No. 30), An Act respecting the Township of North York.

Your Committee recommend that the fees, less the actual cost of printing, be remitted on Bill (No. 8), "An Act to amend an Act respecting The Hamilton Young Women's Christian Association" on the ground that it is one relating to a religious institution.

Your Committee recommend that notwithstanding Rule 51 of Your Honourable House the time for receiving Reports of Committees on Private Bills be extended to and inclusive of Thursday, the 26th day of March.

Ordered, That the fees, less the actual cost of printing, be remitted on Bill (No. 8), Hamilton Y.W.C.A.

Ordered, That the time for receiving Reports of Committees on Private Bills be extended until and inclusive of Thursday, the 26th day of March instant.

The following Bills were severally introduced and read the first time:—

Bill (No. 122), intituled "An Act to amend the Forest Fires Protection Act." *Mr. Wright.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 123), intituled "An Act to amend The Ontario Election Act." *Mr. Gray.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 124), intituled "An Act to amend The Marriage Act." *Mr. Wigle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 125), intituled "An Act respecting the District of Muskoka" *Mr. Ecclestone.*

Ordered, That the Bill be read the second time To-morrow.

The following Bills were severally read the second time:—

Bill (No. 70), To amend the Succession Duty Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 105), To amend the Hospitals and Charitable Institutions Act.

Referred to the Municipal Committee.

Bill (No. 106), To amend the Consolidated Municipal Act, 1922.

Referred to the Municipal Committee.

The Order of the Day for Mr. Speaker to leave the Chair and that the House resolve itself into the Committee of Supply, having been read,

The Debate was resumed,

And, after some time, it was, on the motion of Mr. Sinclair,

Ordered, That the Debate be further adjourned until Tuesday next.

The House then adjourned at 11 p.m.

Friday, March 13th, 1925.

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Fallis, the Petition of the Bethany Methodist Church and Sunday School.

By Mr. Gray, the Petition of the Newboro Methodist Church; also, the Petition of the Lyn Methodist Church; also, the Petition of the Quarterly Board of the Athens Methodist Church; also, the Petition of the Gananoque W.C.T.U.; also, the Petition of the Rockhurst W.C.T.U.

By Mr. Finlayson, the Petition of the Coldwater Sunday School, North River Methodist Church.

The following Petitions were read and received:—

Of the Township Council of York, praying that an Act may pass to ratify and confirm a certain agreement.

Of the Carlton St. Methodist Church; also, of the Danforth Avenue Baptist Church; also, of the Pencil Sunday School; also, of the Reaboro Baptist Church; also, of the Rockland Baptist Sunday School; also, of the Russell Baptist Church Mission; also, of the Nile Methodist Sunday School; also, of the Gospel Workers' Church, Collingwood; praying that the Government pass only such amendments to the Ontario Temperance Act as will strengthen its prohibitory provisions.

Mr. Lewis from the Standing Committee on Standing Orders presented their Fifth Report, which was read as follows and adopted:—

Your Committee have carefully examined the following Petitions and find the Notices as published in each case sufficient:

Of the Town Council of Whitby, praying that an Act may pass to consolidate their indebtedness and for other purposes;

Of the City Council of Toronto, praying that an Act may pass to authorize the issue of certain By-laws;

Of James Arthurs and others of Toronto, praying that an Act may pass to incorporate the Parry Sound and Northern Ontario Railway Company.

Your Committee recommend that Rule No. 51 of your Honourable House be further suspended in this that the time for introducing Private Bills be further extended until and inclusive of Wednesday the 18th day of March instant.

Mr. Lewis from the Standing Committee on Standing Orders presented their Sixth Report, which was read as follows and adopted:—

Your Committee have carefully examined the Petition of the City Council of Galt, praying that an Act may pass enabling the Corporation to assess one-half the cost of construction of a certain asphaltic concrete pavement upon lots abutting on the south side of said pavement as a local improvement, the remaining cost of such pavement to be charged against the corporation at large.

Your Committee are credibly informed that the legislation sought is to legalize an agreement between the Corporation of the City and the Public Works Department with reference to the manner in which the cost of construction of the said pavement is to be defrayed.

Your Committee are of the opinion that this is a matter of public importance and that no private rights would be injuriously affected thereby and they would therefore recommend that the Rule requiring six weeks notice be suspended in this case and that leave be given to introduce the Bill.

Ordered, That leave be given to introduce a Bill respecting the City of Galt.

Ordered, That the time for introducing Private Bills be further extended until and inclusive of Wednesday the 18th day of March instant.

The following Bills were severally introduced and read the first time:—

Bill (No. 51), intituled "An Act respecting the City of Galt." *Mr. Homuth.*

Referred to the Committee on Private Bills.

Bill (No. 57), intituled "An Act respecting the Town of Whitby." *Mr. Sinclair.*

Referred to the Railway and Municipal Board.

Bill (No. 126), intituled "An Act to amend the Consolidated Municipal Act." *Mr. Milligan.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 127), intituled "An Act to amend the Highway Traffic Act." *Mr. Kennedy.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 128), intituled "An Act to amend the Debentures Guarantee Act, 1924." *Mr. Price.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 129), intituled "An Act to amend the Ontario Money Lenders Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 130), intituled "An Act to amend the Consolidated Municipal Act, 1922." *Mr. Nickle.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 131), intituled "An Act to amend the Consolidated Municipal Act, 1922." *Mr. McBrien.*

Ordered, That the Bill be read the second time on Monday next.

Mr. Bragg asked the following Question:—

1. How many miles of Provincial highway were constructed during 1924. 2. How many miles of each type were constructed. 3. What was the cost per mile of each type of road so constructed. 4. What was the contract price per mile for cement roads in 1924. 5. How many miles of guard rails were constructed during 1924. 6. How many miles of guard rails were rebuilt or replaced during 1924.

And the Minister of Highways replied as follows:—

1. 234.83 miles. 2. Asphaltic concrete pavement, 19.04 miles; cement concrete, 70.33 miles; bituminous penetration, 24.15 miles; macadam roadway, 67.68 miles; macadam base (uncompleted in 1923), 5.50 miles; grading, 48.13 miles. 3. Asphaltic concrete, \$30,000 to \$35,000 per mile; cement concrete, \$23,232 per mile (average); bituminous penetration, \$19,900 per mile; macadam, \$9,300 per mile, using local stone; \$12,200 per mile, using commercial stone; grading, \$1,563 per mile. 4. Cement concrete, \$23,232 per mile (average). 5. 42.6 miles of guard rail. 6. 0.19 mile of guard rail replaced.

Mr. Proulx asked the following Question:—

1. How many motor cars have been purchased for the Highways Department since July 16th, 1923. 2. How many motor trucks have been purchased for the Highways Department since July 16th, 1923. 3. How many motor cars were in use by the Highways Department in 1924.

And the Minister of Highways replied as follows:—

1. None. 2. None. 3. 33.

Mr. Fisher asked the following Question:—

1. What has been the cost to the Province of Ontario to date in connection with the legal opinions and proceedings in the courts regarding the Judicature Act, 1924. 2. What is the estimated total cost to the Province in connection with the same for bills rendered and unpaid and for bills yet to be rendered.

And the Attorney-General replied:—

1. An accountable cheque for \$2,000.00 was issued to Mr. MacGregor Young, K.C. Beyond this nothing has been paid for in connection with this matter by the Government. 2. No estimate has been made.

Mr. Sangster asked the following Question:—

1. Is F. A. Dallyn in the employ of the Department of Health. 2. What are his duties. 3. Is he permitted to carry on work outside of his departmental duties.

And the Minister of Health replied:—

1. Yes. 2. Provincial Sanitary Engineer. 3. No official is permitted to engage in outside work that will conflict with his official duties.

Mr. Lang asked the following Question:—

1. Were estimates furnished to the counties by the Government for the cost of maintenance of Provincial highways for the year 1924. 2. What were the amounts of the estimates to the various counties so furnished. 3. What was the amount paid by the Government for maintenance in each of the counties of Ontario in 1924.

And the Minister of Highways replied:—

1. No. 2. Answered by No. 1. 3. Brant, \$10,387.52; Bruce, \$23,683.59; Carleton, \$60,877.42; Dufferin, \$10,056.21; Dundas, Stormont and Glengarry, \$53,682.08; Elgin, \$35,689.07; Essex, \$37,694.57; Frontenac, \$25,673.06; Grey, \$22,325.37; Hastings, \$17,334.20; Haldimand, \$39,690.62; Huron, \$10,889.96; Halton, \$14,080.01; Kent, \$71,358.56; Lambton, \$18,602.49; Leeds and Grenville, \$79,731.42; Lennox and Addington, \$14,835.63; Lanark, \$36,850.50; Lincoln, \$28,711.70; Middlesex, \$46,947.41; Norfolk, \$11,371.12; Northumberland and Durham, \$68,335.67; Oxford, \$8,902.86; Ontario, \$24,256.22; Peel, \$46,034.12; Perth, \$28,969.73; Peterborough, \$5,906.94; Prince Edward, \$18,014.38; Renfrew, \$22,654.54; Russell and Prescott, \$53,325.83; Simcoe, \$51,925.34; Victoria, \$14,695.19; Waterloo, \$14,754.47; Welland, \$21,126.44; Wellington, \$53,785.07; Wentworth, \$36,523.79; York, \$21,047.85.

Mr. Sewell asked the following Question:—

1. Does Mr. Geo. M. Boughner, the defeated Conservative candidate for North Norfolk at the election of June, 1923, control the Government patronage for that riding. 2. Have appointments to the public service been made on his recommendation. 3. If so, what appointments.

And the Premier replied as follows:—

1. All appointments are made on the recommendations of the Ministers in charge of the Departments concerned and are not otherwise controlled by anyone. Recommendations made from any source receive the fullest possible consideration. 2 and 3. Answered by the reply to Question 1.

Mr. Carty asked the following Question:—

1. Does Mr. Thos. M. Costeler, the defeated Conservative candidate for South Renfrew at the election of June, 1923, control the Government patronage for that riding. 2. Have appointments to the public service been made on his recommendation. 3. If so, what appointments.

And the Premier replied as follows:—

1. All appointments are made on the recommendation of the Ministers in charge of the Departments concerned and are not otherwise controlled by anyone. Recommendations made from any source receive the fullest possible consideration. 2 and 3. Answered by the reply to Question 1.

Mr. Taylor asked the following Question:—

1. Does Wm. Breese, the defeated Conservative candidate for North Grey at the election of June, 1923, control the Government patronage for that riding. 2. Have appointments to the public service been made on his recommendation. 3. If so, what appointments.

And the Premier replied as follows:—

1. All appointments are made on the recommendations of the Ministers in charge of the Departments concerned and are not otherwise controlled by anyone. Recommendations made from any source receive the fullest possible consideration. 2 and 3. Answered by the reply to Question 1.

Mr. Ross asked the following Question:—

1. Does Mr. Edward A. Rea, the defeated Conservative candidate for North Oxford at the election of June, 1923, control the Government patronage for that riding. 2. Have appointments to the public service been made on his recommendation. 3. If so, what appointments.

And the Premier replied as follows:—

1. All appointments are made on the recommendations of the Ministers in charge of the Departments concerned and are not otherwise controlled by anyone. Recommendations made from any source receive the fullest possible consideration. 2 and 3. Answered by the reply to Question 1.

Mr. Kemp asked the following Question:—

1. Does Mr. Thos. W. Allan, the defeated Conservative candidate for Lincoln at the election of June, 1923, control the Government patronage for that riding. 2. Have appointments to the public service been made on his recommendation. 3. If so, what appointments.

And the Premier replied as follows:—

1. All appointments are made on the recommendations of the Ministers in charge of the Departments concerned and are not otherwise controlled by anyone. Recommendations made from any source receive the fullest possible consideration. 2 and 3. Answered by the reply to Question 1.

Mr. Carmichael asked the following Question:—

1. Does Mr. Angus Ego, the defeated Conservative candidate for Centre Grey at the election of June, 1923, control the Government patronage for that riding. 2. Have appointments to the public service been made on his recommendation. 3. If so, what appointments.

And the Premier replied as follows:—

1. All appointments are made on the recommendation of the Ministers in charge of the Departments concerned and are not otherwise controlled by anyone. Recommendations made from any source receive the fullest possible consideration. 2 and 3. Answered by the reply to Question 1.

Mr. Widdifield asked the following Question:—

1. Does Mr. David Watson Walls, the defeated Conservative candidate for North Ontario at the election in June, 1923, control the Government patronage for that riding. 2. Have appointments to the public service been made on his recommendation. 3. If so, what appointments.

And the Premier replied as follows:—

1. All appointments are made on the recommendation of the Ministers in charge of the Departments concerned and are not otherwise controlled by anyone. Recommendations made from any source receive the fullest possible consideration. 2 and 3. Answered by the reply to Question 1.

Mr. Widdifield asked the following Question:—

1. What was the total cost of Dundas Street Provincial Highway from the west limits of the City of Toronto to the junction of the Hamilton-Guelph Provincial Highway at Clappisons Corners. 2. What is the length of said highway. 3. What was the cost of earth work and grading on said highway. 4. What was the cost of surfacing said highway. 5. What was the cost of the bridges over ten feet in width on said highway. 6. Has any count been made of traffic on said highway. 7. If so, state (a) date of, (b) location of, (c) and amount of different traffic. 8. (a) Is the highway completely surfaced; (b) if not, what length is to finish.

And the Minister of Highways replied as follows:—

1. \$3,045,225.40. 2. 32.70 miles. 3. \$284,605.28. 4. \$1,758,702.10. 5. \$770,051.70. 6. Yes. 7. (a) 1914, 1922, and from July 30th to August 5th, 1924, and from October 28th to November 3rd, 1924; (b) Bloor and Dundas Streets; Cooksville, Trafalgar, and Clappison's Corners; (c) See below:—

Location of Observer	Year	Automobiles		Light Trucks	Heavy Trucks	Motor Busses	1-horse Vehicles	2-horse Vehicles	Total Daily Average	Maximum for One Day
		Total	Foreign							
Bloor and Dundas Sts. intersection.....	1924A.	2,720	24	259	114	23	19	26	3,161	5,242
	S.	4,193	6	204	100	32	21	20	4,570	6,468
	1922	1,576	..	65	20	30	35	25	1,751	4,106
	1914	348	..	14	...	..	170	80	612	910
Cooksville.....	1924A.	2,675	24	205	129	19	31	37	3,096	4,948
	S.	4,171	70	224	141	19	30	25	4,610	7,001
	1922	851	..	80	63	..	37	32	1,063	1,785
	1914	312	..	13	..	..	161	104	590	719
Trafalgar.....	1924A.	1,263	25	67	30	..	12	7	1,379	2,294
	S.	2,126	62	34	26	..	7	4	2,197	3,026
Clappison's Cors....	1924A.	1,166	24	64	22	..	6	6	1,264	2,060
	S.	1,752	72	72	22	..	8	5	1,857	2,924

NOTE:—A. stands for traffic taken from October 28th to November 3rd.
S. stands for traffic taken from July 30th to August 5th.

8. (a) No; (b) 1,946 feet.

Mr. Kemp asked the following Question:—

1. Were experiments conducted by or with the knowledge of the Government or any members of it, with a view to determining whether a liquor containing 2.5 per cent. of alcohol by volume is an intoxicant. 2. If so, (a) who were the subjects of the experiment and when and where were they conducted; (b)

who supervised them and who besides the supervisor and the subjects had knowledge of them; (c) was there a report and, if so, where is it.

And the Attorney-General replied as follows:—

1. No. 2. Answered by No. 1.

Mr. Carty asked the following Question:—

1. Is there a patronage committee for the City of Toronto. 2. If so, who are the members of it. 3. Is there a patronage committee for each of the City of Toronto Ridings, or any of them. 4. Is there such a committee for each of the County of York Ridings, or any of them. 5. If so, who in each case are the members of such committees.

And the Premier replied as follows:—

1, 2, 3, 4, 5. As this is not a matter coming within the scope of the duties of the Government, it has no knowledge upon the subject.

Mr. Nixon asked the following Question:—

1. Have the members of the Legislature for the City of Toronto made a recommendation to the Government of a successor to His Honour Judge Denton, as Chief Police Magistrate of Toronto. 2. If so, whom did they recommend for the position.

And the Premier replied as follows:—

1. No. 2. Answered by above.

Mr. Fenton asked the following Question:—

1. Referring to the Government's answer to the question with respect to the alleged breach of the Ontario Temperance Act by Dr. Henry of Orangeville (see page 117 of the Votes and Proceedings), who were the men to whom it was alleged Dr. Henry had given prescriptions illegally. 2. Was the case called in court. 3. Were the men who had given the information to the local license inspector not available as witnesses. 4. Is Dr. Henry a Conservative. 5. What did the member for Dufferin have to do with the case in question or its

withdrawal. 6. Were the men who had furnished the information against Dr. Henry to the local license inspector, special officers of the Department. 7. Were they dismissed. 8. Was their dismissal asked for by the member for Dufferin.

And the Attorney-General replied as follows:—

1. A. Larie and M. McQuarrie. 2. Yes. 3. Yes. 4. The Government has no information as to this. 5. He acted as counsel for the defendant. 6. Yes. 7. Yes, upon the ground that the method they had adopted in another offence was not approved by the Government. 8. No.

Mr. Widdifield asked the following Question:—

1. Was the payment of \$1,500 to R. A. H. Purvis, shown in the Public Accounts for the year ending October 31st, 1923, at page 165, made for the same or part of the same consideration as the payment of \$1,720 to the Purvis estate, shown on the same page of the Public Accounts. 2. What was the consideration for the said \$1,500 payment. 3. What was the consideration for the said \$1,720 payment. 4. Was there a refund in respect of either of these payments. 5. If so, where is the refund shown in the Public Accounts.

To which the Minister of Public Works replied as follows:—

1. Yes. 2, 3, 4 and 5. The first cheque was issued in error and subsequently cancelled and cheque for proper amount \$1,720 issued and forwarded for said lands. By oversight, Audit Department was not notified of cancellation of first cheque.

Mr. Mewhinney asked the following Question:—

1. Were tenders called for the timber in the Quetico Forest Reserve recently sold to the Shevlin-Clarke Company. 2. At whose instance was such timber offered for sale. 3. Was an upset price fixed for such timber, and if so, by whom. 4. Was such price lower than the value of standing timber in the Quetico Forest Reserve determined by Hon. Justice Logie in the suit of the King against the Shevlin-Clarke Company. 5. If so, how much lower was the upset price. 6. To whom was the upset price known. 7. How many tenders were received for such timber.

And the Premier replied as follows:—

1. Yes. 2. By the Minister. 3. Yes, by the Department on the recommendation of an officer, after an examination of the property. 4. Yes. 5. \$6.60 per thousand. 6. Upset price was shown on Notice of Sale, calling for tenders. 7. Two.

Mr. Lang asked the following Question:—

1. How many memberships in the following institutions were paid for by the Government during the last fiscal year in the Department of Health:— (1) Academy of Medicine, (2) American Public Health Association, (3) Canadian Medical Association, (4) Ontario Medical Association, (5) American Medical Association, (6) College of Physicians and Surgeons. 2. What is the membership fee in each case. 3. What are the names of the medical men in the Department who are members of each of said associations by virtue of said payments. 4. What is the total amount paid for fees in said associations. 5. For what other associations are membership fees paid in the Department of Health by the Government. 6. What is the amount of such further fees so paid. 7. What are the names of the medical men in the Department who are members of such other associations by virtue of such payments. 8. What medical journals are subscribed for by the Department of Health and paid for by the Government. 9. What is the number of subscriptions to each such journals.

And the Minister of Health replied as follows:—

1. Academy of Medicine, 8; American Public Health Association, 15; Canadian Medical Association, 11; Ontario Medical Association, 19; American Medical Association, 12; College of Physicians and Surgeons, 21. 2. Academy of Medicine, \$15.00; American Public Health Association, \$5.50; Canadian Medical Association, \$10.00; Ontario Medical Association, \$10.00; American Medical Association, \$6.50; College of Physicians and Surgeons, \$2.00. 3. Academy of Medicine—Drs. J. W. S. McCullough, W. J. Bell, R. R. McClenahan, Adam Wright, J. J. Middleton, J. W. Hunt, A. R. Riddell; American Public Health Association—Drs. J. J. Middleton, G. L. Sparks, H. W. Johnston, P. J. Moloney, Miss Hutton, N. F. W. Graham, T. J. McNally, D. A. McClenahan, J. J. Fraser, W. E. George, A. R. Riddell, Adam Wright. 5, 6, 7, 8, 9. Royal Institute of Public Health—Dr. McCullough, \$5.00; Dr. J. G. Cunningham, \$5.00; W. E. George, \$5.00—\$15.00. Public Health Nurse—Dr. H. W. Johnston, \$3.63; Public Health Nurses, \$63.08—\$66.71. American Child Health Association—Dr. McCullough, \$2.00; Public Health Nurses, \$33.30—\$35.30. Medical Officer—Dr. McCullough, \$9.49; Dr. T. J. McNally, \$9.49; Dr. W. E. George, \$9.49—\$28.37. Medical subscriptions subscribed for by the Department of Health: Canadian Medical Protective Association, \$3.00; The Survey, \$2.00; National Housing Association, \$5.20; The Living Age, \$5.50; Public Works, \$4.00; National Committee for Mental Hygiene, \$3.00; Assoc. of Official Chemists (Agricultural), \$4.00; American Academy of Political and Social Science, \$5.00; The Literary Digest, \$4.85; Journal of Industrial Hygiene, \$6.00; American Journal of Roentgenology, \$12.40; American Journal of Syphilis, \$8.40; Annals de L'Institute Pasteur, \$5.00; Hospital and Medical World, \$3.00; International Survey of Pediatrics, \$5.25; National Conference of Social Work, \$2.30; Research Defence Society, \$2.24; Social Hygiene, 6.00; International Survey of Urology and Venereology, \$5.25. Canadian Medical Association—Drs. Adam Wright, D. A. McClenahan, J. J. Fraser, J. W. S. McCullough, G. L. Sparks, W. J. Bell, W. E. George, H. W. Johnston, T. J. McNally, N. O. Thomas. Ontario Medical Association—Drs. J. J. Fraser, D. A. McClenahan, G. L. Sparks, P. J. Moloney, N. H. Sutton, A. Y. McNair, G. M. Fraser, Adam Wright, J. W. Hunt, J. W. S. McCullough, J. G. Cunningham, W. J. Bell, T. J. McNally, H. W. Johnston, W. E. George, F. N. W.

Graham, J. S. Douglas, R. R. McClenahan, A. L. McKay. American Medical Association—Drs. J. W. S. McCullough, J. J. Fraser, H. W. Johnston, T. J. McNally, N. F. W. Graham, G. M. Fraser, W. E. George, D. A. McClenahan, G. L. Sparks, J. S. Douglas, A. Y. McNair, N. O. Thomas. College of Physicians and Surgeons—Drs. J. W. Hunt, A. L. McKay, D. A. McClenahan, J. G. Cunningham, A. R. Riddell, F. M. R. Bulmer, A. Y. McNair, N. O. Thomas, J. Miller, G. M. Fraser, J. W. Bell, J. J. Middleton, G. L. Sparks, N. H. Sutton, T. J. McNally, H. W. Johnston, R. R. McClenahan, W. E. George, J. W. S. McCullough, F. L. Letts, N. F. W. Graham. Note—Membership in these Associations invariably includes Transactions and Journals of the respective associations. 4. Academy of Medicine, \$105.00; American Public Health Association, \$66.00; Canadian Medical Association, \$100.00; Ontario Medical Association, \$190.00; American Medical Association, \$78.00; College of Physicians and Surgeons, \$42.00. 5, 6, 7, 8, 9. American Chemical Association, \$18.00. British Medical Journal—Dr. McCullough, \$15.00; Dr. H. W. Johnston, \$15.00; Dr. D. A. McClenahan, \$15.00; Dr. J. J. Fraser, \$15.00—\$60.00. Journal of Infectious Diseases—Dr. W. E. George, \$6.00; Dr. C. M. Anderson, \$6.00; Dr. T. J. McNally, \$6.00—\$18.00. The Lancet—Dr. G. M. Fraser, \$6.50; Dr. N. O. Thomas, \$6.50; Dr. McCullough, \$6.50—\$19.50. Royal Sanitary Institute—Dr. McCullough, \$5.00; Dr. Dallyn, \$5.00; Dr. W. E. George, \$5.00; Dr. D. A. McClenahan, \$5.00; Dr. T. J. McNally, \$5.00; Dr. J. J. Fraser, \$5.00—\$30.00.

Mr. Bragg asked the following Question:—

1. What is the authority for the payment of the item "F. H. Keefer, travelling expenses, \$570.64," as appears on page Q. 3, Public Accounts, 1924.

And the Premier replied as follows:—

1. Vote 114, item 7, of the Estimates for 1924.

Mr. Fisher asked the following Question:—

1. What has been the total cost of the motion picture plant at Trenton to date for (a) land and buildings; (b) machinery and equipment; (c) maintenance of building and equipment; (d) operating expenses. 2. What amount has been spent for all purposes in connection with the same.

And the Provincial Treasurer replied as follows:—

1. (a) \$30,356.64; (b) \$10,737.68; (c) \$3,958.56; (d) \$19,322.27. 2. \$64,375.15

Mr. Bragg asked the following Question:—

1. What are the duties of J. M. McCutcheon, Civil Service Commissioner, for which he receives \$5,500 as salary.
2. Does he select the members of the Civil Service.
3. Does he pass upon all appointments to the Civil Service.
4. Are any appointments to the Civil Service made without his knowledge.

To which the Premier replied as follows:—

1. See the Ontario Public Service Act, 1918, and the Ontario Public Service Superannuation Act, 1920.
 2. No.
 3. No. See 8 George V, Section 7, Chap. 5.
 4. This question is answered by the reply to the preceding question.
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Mr. Wallis asked the following Question:—

1. What were the services performed by Lewis Duncan for which he was paid \$500 in connection with the Betting Information Act, as appears on page C. 3, Public Accounts, 1924.
2. By whom was he employed.
3. What was the result of such services.

And the Attorney-General replied as follows:—

1. This payment was made for services performed by Mr. Lewis Duncan for the former Government in drafting and advising upon The Betting Information Act of 1923.
 2. The former Attorney-General.
 3. A Bill was introduced into the House.
-

Mr. Mewhinney asked the following Question:—

1. What were the services performed by the Pinkerton National Detective Agency for which the sum of \$1,258.30 was paid, page C. 3.
2. By whom were they employed.
3. How many operatives were employed.
4. At what times and places were they employed.

And the Provincial Treasurer replied as follows:—

1. Surveillance.
 2. Ontario Provincial Police.
 - 3 and 4. It is not in the public interest to disclose confidential reports of detective operations.
-

Mr. Sangster asked the following Question:—

1. What were the services performed by H. W. Mickle for which he was paid \$1,500 in connection with the Land Titles Act, as appears on page C. 3,

Public Accounts, 1924. 2. By whom was he employed. 3. What was the result of such services.

To which the Attorney-General replied as follows:—

1. This payment was made for services performed by Mr. H. W. Mickle for the former Government in obtaining information, drafting a Bill and advising upon a revision of The Registry Act. 2. The former Attorney-General. 3. A Bill was introduced into the House.

Mr. Lang asked the following Question:—

1. Who is R. T. Lyons to whom was paid \$165 for engineering as appears on page F. 31 of the Public Accounts, 1924. 2. Is he related to the Hon. James Lyons, Minister of Lands and Forests. 3. Is he the same party to whom \$2,022.80 was paid for travelling expenses as appears on page F. 32 of the Public Accounts for 1924. 4. What were the services that R. T. Lyons was performing in connection with which the said travelling expenses were paid. 5. What was he paid for such services in addition to the said allowance for travelling expenses.

To which the Premier replied as follows:—

1. An engineer in the Northern and Northwestern Development Branch. 2. No. 3. Yes, but the item referred to is for disbursements as well as travelling expenses. 4. Mr. Lyons conducted a survey party and paid the travelling expenses and disbursements in connection therewith. 5. \$1,254.46.

Mr. Wallis asked the following Question:—

1. Who is G. W. Ecclestone to whom the following payments were made as appears by the Public Accounts, 1924:—Explosives, Draper Township, page F. 24, \$11.65; explosives, Freeman Township, page F. 25, \$28.70; explosives, Macauley Township, page F. 27, \$16.20; explosives, Monk Township, page F. 28, \$37.05; explosives, Oakley Township, page F. 28, \$22.30; explosives, Ridout and McLean Townships, page F. 29, \$58.50; hardware, Parry Sound bridges, page F. 35, \$26.85. 2. Who is Geo. Ecclestone to whom the payment of \$11.85 was made for explosives in Muskoka Township as appears on page F. 28, Public Accounts, 1924.

To which the Premier replied as follows:—

1 and 2. These questions are based on errors in the compilation of the Public Accounts. The purchases referred to were not made from Mr. Ecclestone but from the G. W. Ecclestone Company, Limited.

On motion of Mr. Sinclair, seconded by Mr. Mageau,

Ordered, That there be laid before the House a Return showing all the information furnished to the Legislature as to the requirements and resources of the electoral districts in the provisional judicial districts of Ontario by the Legislative Secretary for Northern Ontario as required of him under "The Legislative Secretary for Northern Ontario Act, 1924," the times at which the same was furnished, and to which Minister the same was furnished, and showing also what duties, in addition to those required by said Act, were imposed upon the Legislative Secretary for Northern Ontario by Order-in-Council, letter or otherwise, the time when the same were imposed, and the Report or Reports of the said Legislative Secretary for Northern Ontario upon the performance of the same.

The following Bills were severally read the second time:—

Bill (No. 39), Respecting the City of Toronto.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 49), To further amend the Act incorporating the Saint Patrick's Asylum of Ottawa.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 104), To amend the Ontario Land Surveyors Act.

Referred to the Municipal Committee.

Bill (No. 110), To amend the Public Health Act.

Referred to the Municipal Committee.

Bill (No. 111), To amend the Cemetery Act.

Referred to the Legal Committee.

Bill (No. 112), To amend the Consolidated Municipal Act, 1922.

Referred to the Municipal Committee.

Bill (No. 119), To amend the Pounds Act.

Referred to the Municipal Committee.

Bill (No. 109), To amend the Ontario Public Service Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 113), To amend the Succession Duty Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 114), To amend the Audit Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 120), To authorize the Lieutenant-Governor in Council to guarantee payment of certain Debentures.

Referred to a Committee of the Whole House on Monday next.

The House resolved itself into a Committee to consider Bill (No. 98), To amend the Ontario Companies Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Black reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 99), To amend the Surrogate Courts Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Black reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

On motion of Mr. Price, seconded by Mr. Godfrey,

Ordered, That this House do forthwith resolve itself into a Committee to consider a certain proposed Resolution respecting the Succession Duty Act.

Mr. Ferguson acquainted the House that His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed Resolution, recommends it to the consideration of the House.

The House then resolved itself into the Committee.

(In the Committee.)

Resolved, That where an estate includes securities of the Province of Ontario issued under provisions which exempt them from succession duty, then, notwithstanding any declaration or provision made by will or otherwise by the

deceased, the Treasurer of Ontario may require that such securities, or a sufficient part thereof, shall be delivered to him and applied on account of the succession duty payable in respect of such estate at the current market value thereof at the date of the death of the decedent as evidenced by *bona fide* transactions or at such other price as may be determined by a Surrogate Judge in manner provided by section 12 of The Succession Duty Act.

Mr. Speaker resumed the Chair; and Mr. Black reported, that the Committee had come to a certain Resolution.

Ordered, That the Report be now received.

Mr. Black reported the Resolution as follows:—

Resolved, That where an estate includes securities of the Province of Ontario issued under provisions which exempt them from succession duty, then, notwithstanding any declaration or provision made by will or otherwise by the deceased, the Treasurer of Ontario may require that such securities, or a sufficient part thereof, shall be delivered to him and applied on account of the succession duty payable in respect of such estate at the current market value thereof at the date of the death of the decedent as evidenced by *bona fide* transactions or at such other price as may be determined by a Surrogate Judge in manner provided by section 12 of The Succession Duty Act.

The Resolution having been read the second time, was agreed to, and referred to the Committee of the Whole House on Bill (No. 70), To amend The Succession Duties Act.

The Order of the Day for the third reading of Bill (No. 68), To amend the Public Vehicles Act, having been read,

Ordered, That the Order be discharged, and that the Bill be forthwith again referred to a Committee of the Whole, with instructions to amend the same.

The House accordingly resolved itself into the Committee; and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Black reported, That the Committee had amended the Bill as directed.

Ordered, That the Bill be read the third time on Monday next.

The Order of the Day for the third reading of Bill (No. 69), To amend the Local Improvement Act, having been read,

Ordered, That the Order be discharged, and that the Bill be forthwith again referred to a Committee of the Whole, with instructions to amend the same.

The House accordingly resolved itself into the Committee; and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Black reported, That the Committee had amended the Bill as directed.

Ordered, That the Bill be read the third time on Monday next.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Third Annual Report of the Minimum Wage Board for 1923. (*Sessional Papers, No. 63.*)

Also—Fourth Annual Report of the Minimum Wage Board for 1924. (*Sessional Papers, No. 64.*)

Also—Report of Agricultural Development Board to October 31st, 1924. (*Sessional Papers, No. 65.*)

Also—Report—Returns from the Records of the Plebiscite held 23rd October, 1924. (*Sessional Papers, No. 50.*)

The House then adjourned at 4.20 p.m.

Monday, March 16th, 1925.

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Jamieson (Grey), the Petition of the Mistioga Sunday School and Congregation; also, the Petition of the Zion Methodist Sunday School; also, the Petition of the Lamlash Women's Institute of Grey County; also, the Petition of the Young People's Society of Amos Presbyterian Church; also, the Petition of the Flesherton and Rock Mills Baptist Church; also, the Petition of the Ceylon Community Church.

By Mr. Belanger, the Petition of the Clarence Baptist Church; also, the Petition of the Women's Institute of Osgoode.

By Mr. Nesbitt, the Petition of the North Earlscourt Methodist Church; also, the Petition of the Young Men's Own Bible Class, Prospect Park; also, the Petition of the Ladies' Aid of Prospect Park; also, the Petition of the Stoney Creek Methodist Sunday School.

By Mr. Wigle, the Petition of the Ontario Street Methodist Sunday School; also, the Petition of the Young People's League, Wesley Methodist Church, Clinton.

By Mr. Ecclestone, the Petition of the W.C.T. Union, Bracebridge; also, the Petition of the Uffington United Mission of the Township of Draper, Ryde and Oakley; also, the Petition of the United Church, Presbyterian and Methodist, at MacTier; also, the Petition of the Ravenscliffe branch of the U.F.O., No. 977; also, the Petition of the Bracebridge Baptist Sunday School; also, of the Bracebridge Baptist Young People's Society; also, of the Free Methodist Church, Bracebridge; also, of the Huntsville Methodist Church; also, of the Huntsville Methodist Sunday School.

By Mr. Chambers, the Petition of the Young People's League of the Arthur Methodist Church; also, the Petition of the Women's Missionary Society of Palmerston Methodist Church.

The following Petitions were read and received:—

Of James Arthurs and others, praying that an Act may pass to incorporate the Parry Sound and Northern Ontario Railway Company.

Of the Jerseyville, Zion Hill and Trinity Churches of the Methodist Church of Ancaster; also, of the Fenelon Falls W.C.T.U.; also, of the Hawkestone Methodist Church; also, of the Port Hope Baptist Church; also, of the Official Board of the Frankville and Toledo Methodist Church; also, of the Wellington Methodist Church; also, of the Methodist Sunday School, Bloomfield; also, of the Bloomfield Methodist Church Board; also, of the Wellington Society of Friends; also, of the Youmans W.C.T.U.; also, of the Picton Women's Christian Temperance Union; also, of the Official Board of the Consecon United Church; also, of the Women's Christian Temperance Union of the Counties of Hastings, Lennox and Addington, and Prince Edward; also, of the Rednersville Sunday School; also, of the Keswick W.C.T.U.; also, of the Glengordon W.M.S., Lancaster; also, of the Maxville Main Street Baptist Church; also, of the Maxville Y.W. Missionary Society; also, of the Pic-Nic Grove Young Women's Auxiliary, Glengarry; also, of the Bethany Methodist Church and Sunday School; also, of the Coldwater Sunday School, North River Methodist Church; also, of the Quarterly Board of the Athens Methodist Church; also, of the Lyn Methodist Church; also, of the Newboro Methodist Church; also, of the Rockhurst W.C.T.U.; also, of the Gananoque W.C.T.U., praying that the Government pass only such amendments to the Ontario Temperance Act as will strengthen its prohibitory provisions.

The following Bills were severally introduced and read the first time:—

Bill (No. 121), intituled "An Act to incorporate the Parry Sound and Northern Ontario Railway Company." *Mr. Harcourt.*

Referred to the Committee on Railways.

Bill (No. 132), intituled "An Act to amend the Consolidated Municipal Act, 1922." *Mr. Bradburn.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 133), intituled "An Act to amend the Factory, Shop and Office Building Act." *Mr. Jamieson (Grey).*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 134), intituled "An Act to amend the Power Commission and Companies Transfer Act, 1924." *Mr. Cooke.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 135), intituled "An Act to amend the County Courts Act." *Mr. McBrien.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 136), intituled "An Act to amend the Public Utilities Act." *Mr. Cooke.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 137), intituled "An Act to amend the Consolidated Municipal Act, 1922." *Mr. Cooke.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 138), intituled "An Act to amend the Ontario Insurance Act." *Mr. Spence.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 139), intituled "An Act to amend the Ontario Insurance Act, 1924." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 140), intituled "An Act to amend the Loan and Trusts Corporations Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

The following Bills were severally read the second time:—

Bill (No. 8), To amend an Act respecting the Hamilton Young Women's Christian Association.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 16), Respecting the City of Owen Sound.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 30), Respecting the Township of North York.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 88), To amend the Consolidated Municipal Act.

Referred to the Municipal Committee.

Bill (No. 122), To amend the Forest Fires Protection Act.

Referred to the Municipal Committee.

Bill (No. 124), To amend the Marriage Act.

Referred to the Legal Committee.

Bill (No. 125), Respecting the District of Muskoka.

Referred to the Municipal Committee.

The House resolved itself into a Committee to consider Bill (No. 109), To amend the Ontario Public Service Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 113), To amend the Succession Duty Act, and, after some time spent therein, Mr. Speaker

resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 114), To amend the Audit Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 120), To authorize the Lieutenant-Governor-in Council to guarantee payment of certain Debentures, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee, severally to consider the following Bills:—

Bill (No. 39), Respecting the City of Toronto.

Bill (No. 49), To further amend the Act incorporating the St. Patrick's Asylum of Ottawa.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the several Bills without Amendments.

Ordered, That the Bills reported, be severally read the third time To-morrow.

The Provincial Secretary presented to the House,

Return to an Order of the House, dated 11th April, 1924, That there be laid before this House, a Return of the following papers:—1. Agreement made in 1918 between the Government of Ontario and J. J. Carrick for extension of time to build mills under leases of Pic River and Black Sturgeon River Pulp Limits. 2. Copies of all subsequent agreements with reference to the said limits or mills between the Government of Ontario or the Hydro-Electric Power Commission of Ontario and the Great Lakes Paper Company. 3. Copy of reasons of Hon. Mr. Justice Rose in the action of Attorney-General *versus* Great Lakes Paper Company. 4. Copies of all correspondence on the files of the Government or on the files of the Hydro-Electric Power Commission in the said matters subsequent to the return to this Assembly made permanent to an Order of the House of the 12th of March, 1920. 5. Copy of the report of the Hydro-Electric Commission of Enquiry on the Nipigon Power Development. (*Sessional Papers, No. 65.*)

The House then adjourned at 4.20 p.m.

Tuesday, March 17th, 1925.

PRAYERS.

3 O'CLOCK P.M.

Mr. Speaker informed the House:—

That the Clerk had received from the Railway and Municipal Board, their Report on the following case:—

Bill (No. 38), Respecting the Town of Carleton Place.

The Report was then read by the Clerk at the Table, as follows:—

To the Honourable the Legislative Assembly of the Province of Ontario:

Upon the reference under Rule 61a of your Honourable House to The Ontario Railway and Municipal Board of Bill No. 38 (1925), entitled "An Act respecting the Town of Carleton Place," the Board begs leave respectfully to report that in the judgment of the Board it is reasonable that such Bill should be passed by your Honourable House, as amended.

The largest proportion of the Floating Debt of \$42,000 referred to in the Bill is for works of a permanent nature, and the balance for expenditure which

in the ordinary course should have been paid out of taxes. For this reason the Board is of opinion that the debentures should be made payable in not more than fifteen years from the date of issue.

All of which is respectfully submitted.

D. M. McINTYRE,
Chairman.

A. B. INGRAM,
Vice-Chairman.

J. A. ELLIS,
Commissioner.

Dated at Toronto,
this 16th day of March, A.D. 1925.

Ordered, That Bill (No. 38), Respecting the Town of Carleton Place, be referred to the Committee on Private Bills with instructions to consider the same with reference to the suggestions of the Railway and Municipal Board thereon.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Patterson, the Petition of the Bobcaygeon Baptist Church; also, the Petition of the Glandine Sunday School; also, the Petition of the Vernlaw Scotch Live Baptist Church.

By Mr. Hill, the Petition of the Lodge Room Methodist Church, Trenton; also, the Petition of the Young People's League, Thomasburg Methodist Church; also, the Petition of the Melrose Union Young People's League; also, the Petition of the Trustee and Official Boards of the Thomasburg Methodist Church; also, the Petition of the Moira, Fuller and West Huntingdon Methodist Church; also, the Petition of the Lonsdale Presbyterian Church; also, the Petition of the Lonsdale Presbyterian Sunday School.

By Mr. Stedman, the Petition of the Lanark County W.C.T.U.; also, the Petition of the Smith's Falls W.C.T.U.

By Mr. Thompson (Lanark), the Petition of the Appleton St. Andrew's Presbyterian Church; also, the Petition of the Melville Presbyterian Church;

also, the Petition of the Quarterly Official Board, Almonte Methodist Church; also, the Petition of the Lanark and Renfrew Presbyterian Women's Missionary Society; also, the Petition of the Official Board of the Carleton Place Methodist Church.

By Mr. Keith, the Petition of the Official Board of the Lennoxville Circuit of the Methodist Church; also, the Petition of the Sutton West Sunday School; also, the Petition of King Young People's League.

By Mr. Wright, the Petition of the Young People's League of the Methodist Church of Orillia.

By Mr. Ireland, the Petition of the Front Road Methodist Church; also, the Petition of the Front Road Methodist Sunday School; also, the Petition of the Y.W.C.T.U. of Belleville.

By Mr. Spence, the Petition of the Duart Presbyterian Sabbath School and Organized Adult Bible Class; also, the Petition of the W.C.T.U. of Fort William; also, the Petition of the State River Baptist Church.

By Mr. Black, the Petition of the W.C.T.U. of Enterprise; also, the Petition of the Enterprise Methodist Church.

By Mr. Fallis, the Petition of the Officers and Teachers and Adult Members of the Comber Methodist Sunday School; also, the Petition of the Comber Methodist Church.

By Mr. Gray, the Petition of the West Plain Methodist Sunday School, Roblin Circuit; also, the Petition of the Brockville Methodist Church.

By Mr. Proulx, the Petition of the Breadalbane Baptist Church, Vankleek Hill; also, the Petition of the Vankleek Hill Baptist Church.

The following Petitions were read and received:—

Of the Ceylon Community Church; also, of the Inistioge Sunday School; also, of the Flesherton and Rock Mills Baptist Church; also, of the Young People's Society of Amos Presbyterian Church; also, of the Lamlash Women's Institute of Grey County; also, of the Zion Methodist Sunday School; also, of the Young People's League, Wesley Methodist Church, Clinton; also, of the Ontario Street Methodist Sunday School, Clinton; also, of the Clarence Baptist Church; also, of the Women's Institute of Osgoode; also, of the North Earls-court Methodist Church; also, of the Young Men's Own Bible Class, Prospect Park; also, of the Honey Creek Methodist Sunday School; also, of the Women's Missionary Society of Palmerston Methodist Church; also, of the Young People's League of the Arthur Methodist Church; also, of the Ladies' Aid of Prospect Park; also, of the W.C.T. Union, Bracebridge; also, of the Uffington United Mission of the Township of Draper, Ryde and Oakley; also, of the

Ravenscliffe Branch of the U.F.O., No. 977; also, of the Bracebridge Baptist Sunday School; also, of the Bracebridge Baptist Young People's Society; also, of the Free Methodist Church, Bracebridge; also, of the Huntsville Methodist Church; also, of the Huntsville Methodist Sunday School; also, of the United Church, Presbyterian and Methodist, at MacTier; severally praying that the Government pass only such amendments to the Ontario Temperance Act as will strengthen its prohibitory provisions.

The following Bills were severally introduced and read the first time:—

Bill (No. 141), intituled "An Act to amend the Consolidated Municipal Act, 1922." *Mr. Owens.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 142), intituled "An Act to amend the Consolidated Municipal Act, 1922." *Mr. Mahoney.*

Ordered, That the Bill be read the second time To-morrow.

The following Bills were severally read the second time:—

Bill (No. 128), To amend the Debenture Guarantee Act, 1924.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 129), To amend the Ontario Money Lenders Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 130), To amend the Consolidated Municipal Act, 1922.

Referred to the Municipal Committee.

The Order of the Day, that Mr. Speaker do now leave the Chair and that the House do resolve itself into the Committee of Supply, having been read,

The Debate was resumed,

And, after some time,

Mr. Raney moved, in amendment, seconded by Mr. Doherty,

That all the words of the Motion after the word "That," where it first appears in the Motion, be stricken out, and the following substituted therefor:—
"This House condemns the transaction between the Treasury Department of

the Government and the Home Bank in September, 1919, whereby the Government sold a \$4,000,000 issue of Provincial Bonds to the Bank at the price of 94.48, thereby enabling the Bank to make a profit of \$94,800 under circumstances involving a corresponding heavy loss to the Province. And this House regrets the failure of the Standing Committee on Public Accounts of last year to make any reference to this transaction in its report to this House dated the 17th day of April, 1924. And this House further regrets the failure of the said Committee to make any adequate investigation of the alleged payment by the Bank on and before the 23rd day of September, 1919, of sums aggregating \$42,400 by way of special commissions on the said transaction, as shown by the Books of the Bank."

And a Debate having ensued, it was, on the motion of Mr. Finlayson,

Ordered, That the Debate be adjourned until To-morrow.

The House then adjourned at 11.05 p.m.

Wednesday, March 18th, 1925.

PRAYERS.

3 O'CLOCK P.M.

Mr. Speaker informed the House:—

That the Clerk had received from the Commissioners of Estate Bills, their Report in the following case:—

Bill (No. 59), An Act to enable the executors of the late Edmund Boyd Osler to make a certain gift out of his estate for public purposes.

The Report was then read by the Clerk at the Table as follows:—

We, the Honourable William Edward Middleton, and the Honourable John Fosbery Orde, two of the Justices of Appeal of the Supreme Court of Ontario, and Commissioners of Estate Bills, having had forwarded to us Bill No. 59, Respecting the Estate of the late Edmund Boyd Osler, and the Petition upon which the same is founded, do report to the House our opinion thereon pursuant to the rules of the House relating to Estate Bills.

From the Petition for the said Bill it appears that the late Edmund Boyd Osler died on the 4th August, 1924, having made and published his last will which has been duly admitted to probate; that in the said will the residuary estate of the testator of which the land hereinafter mentioned forms a part, is given to the executors and trustees upon trust, one-sixth for each of his three sons, and one-sixth to be held in trust for each of his three daughters for life and upon her death for her children as she may appoint; and that the children of the said daughters now born are infants, and that other children may hereafter be born.

It also appears that the residence of the testator together with certain lands adjoining it form part of the residuary estate, and it is the desire of the children of the said Edmund Boyd Osler to convey these lands to the City of Toronto as a Memorial Park to perpetuate the memory of the said Edmund Boyd Osler.

Your Commissioners have ascertained that the estate of the late Edmund Boyd Osler will amount to upwards four millions of dollars, and that the value of the land in question is about seventy-five thousand dollars, and in view of the fact that the sons are entitled to their three-sixths share absolutely, and that they and the daughters having a life interest in the remaining three one-sixth shares, are adults, and concur in what is asked.

Your Commissioners are of opinion that if in the view of the Legislature permission ought ever to be given trustees to divert any part of the trust estate to public purposes this is a case in which such permission should be given.

Your Commissioners, therefore, report that, presuming the allegations contained in the preamble of the said Bill to be proved to the satisfaction of the House, it is reasonable that this Bill do pass into law, and Your Commissioners are further of opinion that the provisions of the said Bill are proper for the carrying of its purpose into effect without alteration.

(Sgd). W. E. MIDDLETON, J.A.
JOHN F. ORDE, J. A.
Commissioners.

Toronto, 16th March, 1925.

Ordered, That Bill (No. 59), To enable the Executors of the late Edmund Boyd Osler to make a certain gift out of his Estate for Public Purposes, be referred to the Committee on Private Bills with instructions to consider the same with reference to the suggestions of the Commissioners of Estate Bills thereon.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Belford, the Petition of the Castleton United Farmers' Club of Northumberland; also, the Petition of the Colborne U.F.W.O.; also, the Petition of the Colborne Club U. F. of Ontario; also, the Petition of the Union Club of the U.F.W. of Ontario; also, the Petition of the Colborne Methodist Young People's League.

By Mr. Keith, the Petition of the Sharon Methodist Church; also, the Petition of the Eversley Presbyterian Women's Missionary Society; also, the Petition of the Eversley Presbyterian Sunday School; also, the Petition of the Temperanceville Sunday School; also, the Petition of the United Farmers' Club, No. 770, of King; also, the Petition of the Whitchurch Wesley Methodist Church.

By Mr. Berry, the Petition of the Hagersville Methodist Church; also, the Petition of the Canfield W.C.T.U.; also, the Petition of the Cheapside Baptist Sunday School; also, the Petition of the Township of Rainham O.T.A. Association of Selkirk; also, the Petition of the Canfield Methodist Church, Cayuga.

By Mr. Jamieson (Simcoe), the Petition of the Young People's Society of Alliston; also, the Petition of the Young People's Society of Alliston Methodist Church.

By Mr. Willson (Niagara Falls), the Petition of the W.C.T.U. of Bridgeburg.

By Mr. Ross, the Petition of Innerkip Presbyterian Church; also, the Petition of the North Oxford Prohibition Union; also, the Petition of the Drumbo Methodist Sunday School; also, the Petition of the Plattsville Baptist Church; also, the Petition of the Woodstock W.C.T.U.; also, the Petition of the Woodstock College Avenue Methodist Church; also, the Petition of the Wolverton Baptist Church; also, the Petition of the Drumbo Baptist Church.

By Mr. McCallum, the Petition of the Cargill Congregation of St. Andrews Presbyterian Church; also, the Petition of the Congregation of Knox Memorial Presbyterian Church of Pinkerton.

By Mr. Pinard, the Petition of the East View Baptist Sunday School; also, the Petition of the quarterly and trustee boards of Bell Street Methodist Church, Ottawa; also, the Petition of the Ottawa French Baptist Church.

By Mr. Mewhinney, the Petition of the Kincardine Methodist Sunday School; also, the Petition of the Evangelical Church, 4th Bruce, Bruce Township; also, the Petition of the Underwood Farmers Club No. 1102; also, the Petition of Reeds Corners Farmers' Club; also, the Petition of Whitchurch Chalmers Presbyterian Church; also, the Petition of the Olivet Church U.S.S.; also, the Petition of Wesley Methodist Church of Berrie Circuit; also, the Petition of Tiverton Sunday School, Knox Church; also, the Petition of the Tara Session of Knox Church; also, the Petition of Women's Missionary Association of the United Brethren Church of Bruce; also, the Petition of the United Brethren Sunday School of Port Elgin.

By Mr. Kemp, the Petition of the Grimsby Ladies' Aid of St. John's Church; also, the Petition of the Grimsby W.C.T.U.; also, the Petition of Ladies of the Grimsby Methodist Church; also, the Petition of Presbyterian Union, Jordan Station; also, the Petition of the Beamsville Temperance People; also, the Petition of Lincoln County Women's Prohibition Union; also, the Petition of Campden W.C.T.U.; also, the Petition of the Grimsby Baptist Sunday School; also, the Petition of Grimsby Sunday School of St. John's Presbyterian Church; also, the Petition of Grimsby St. John's Presbyterian Church; also, the Petition of the Caistorville Methodist Sunday School; also, the Petition of the Methodist Church of Kerr.

By Mr. Oakley, the Petition of East Toronto Council No. 250 of the Royal Templars of Temperance.

By Mr. Bragg, the Petition of the Bowmanville Methodist Sunday School; also, the Petition of the Newcastle Methodist Sunday School; also, the Petition of the Maple Grove Sunday School of the Methodist Church; also, the Petition of the Young People's League of the Bowmanville Methodist Church; also, the Petition of the Sunday School and Young People's League of the Newtonville Methodist Church; also, the Petition of the Newcastle quarterly official board, Methodist Church; also, the Petition of Long Sault Methodist Church Sunday School; also, the Petition of the Long Sault Methodist Church, Tyrone Circuit; also, the Petition of the Hampton Young Peoples' League, Methodist Church.

By Mr. Nesbitt, the Petition of the Bathurst Street Methodist Sunday School, Toronto; also, the Petition of the Broadway Methodist Tabernacle Sunday School, Toronto.

By Mr. Black, the Petition of the Kaladar Methodist Sunday School.

By Mr. Sewell, the Petition of the Bloomsberg Baptist Church; also, the Petition of the Lynville Baptist Church; also, the Petition of the Courtland Baptist Sunday School; also, the Petition of the Norfolk County Prohibition Union; also, the Petition of the Waterford Methodist Church; also, the Petition of the W.C.T.U. of Simcoe; also, the Petition of the Courtland Baptist Church; also, the Petition of the St. Paul's Presbyterian Sunday School of Simcoe; also, the Petition of the Young People's Society of St. Paul's Presbyterian Church, Simcoe; also, the Petition of Old Windham Sunday School; also, the Petition of the Lynville Baptist Church.

By Mr. Belanger, the Petition of the W.M.S. of St. Andrew's Church, Marserville; Petition of Young People's Society, St. Andrew's Church, Marserville; Petition of Women's Missionary Society of the Navan Union Congregation; Petition of Women's Christian Temperance Union, Glebe Union.

By Mr. Fisher, the Petitions of Central W.C.T.U. of Ottawa; the quarterly official board and the trustee board of Dominion Methodist Church, Ottawa; teachers and officers of the Sabbath School of Chalmers Church, Ottawa; the First Church of Christ, Scientist, Ottawa; Ottawa Prohibition Union; Rosemount Avenue Methodist Sunday School Board of Management; Women's Missionary Society of Dominion Methodist Church, Ottawa; Sunday School of Bell Street Methodist Church, Ottawa.

By Mr. Oakley, Petition of officers and teachers of Riverdale Methodist Sunday School.

By Mr. Thompson (Lanark), Petition of the Presbyterian Congregations of Dalhousie Township.

By Mr. Wigle, the Petition of Clinton Club, United Farmers of Ontario.

By Mr. Mark, the Petition of the Young People's League of the Hartley Methodist Church; the Pleasant Point Church, Seagrave Circuit Methodist; the Wilberforce Co-operative Dairy; the United Church of Haliburton.

By Mr. Sweet, the Petitions of Trinity Methodist Sunday School, Chester-ville; the Baptist Church, Ormond; Ormond Baptist Sunday School; the Dundas County Prohibition Union; The Methodist and Presbyterian congrega-tions.

On motion of Mr. Fisher, seconded by Mr. Proulx,

Ordered, That notwithstanding the time for presenting Petitions for Private Bills has expired, leave be given to present a Petition of the Ottawa Civic Hos-pital and that the same be now read and received.

The following Petition was then read and received:

Petition of the Ottawa Civic Hospital praying that an Act may pass authorizing the Corporation of the City of Ottawa to sell and convert into money, certain properties.

On motion of Mr. Fisher, seconded by Mr. Proulx,

Ordered, That notwithstanding the time for introducing Private Bills has elapsed, leave be given to introduce a Bill to amend the Ottawa Civic Hospital Act, and that the same be read the first time and do stand referred to the Com-mittee on Private Bills irrespective of Report from Standing Orders Committee, or posting in the Lobby, as required by the Rule in such case made and provided.

The following Bill was then introduced and read the first time:—

Bill (No. 143), intituled "An Act to amend the Ottawa Civic Hospital Act.

Referred to the Committee on Private Bills.

The following Bills were severally introduced and read the first time:—

Bill (No. 116), intituled "An Act respecting the City of Toronto." *Mr. Nesbitt.*

Referred to the Committee on Private Bills.

Bill (No. 144), intituled "An Act to amend the Marriage Act." *Mr. Mark.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 145), intituled "An Act to amend the Surrogate Courts Act." *Mr. Finlayson.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 146), intituled "An Act to amend the Consolidated Municipal Act, 1922." *Mr. Garden.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 147), intituled "An Act to amend the Railway Employees and Commercial Travellers Voting Act." *Mr. Clark (Brockville).*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 148), intituled "An Act to amend the County Judges Act." *Mr. Finlayson.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 149), intituled "An Act to amend the Local Improvement Act." *Mr. McBrien.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 150), intituled "An Act to impose a Charge for Fire Prevention purposes." *Mr. Lyons.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 97), intituled "An Act to provide for imposing a Tax on the Purchasers of Gasoline." *Mr. Henry.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 152), intituled "An Act to amend the Assessment Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

The following Bills were severally read the second time:—

Bill (No. 100), To amend the Highway Traffic Act.

Referred to the Municipal Committee.

Bill (No. 101), To amend the Municipal Act.

Referred to the Municipal Committee.

Bill (No. 126), To amend the Consolidated Municipal Act, 1922.

Referred to the Municipal Committee.

Bill (No. 127), To amend the Highway Traffic Act.

Referred to the Municipal Committee.

Bill (No. 102), To amend the Ontario Architects Act.

Referred to the Legal Committee.

Bill (No. 137), To amend the Consolidated Municipal Act, 1922.

Referred to the Municipal Committee.

Bill (No. 132), To amend the Consolidated Municipal Act, 1922.

Referred to the Municipal Committee.

Bill (No. 133), To amend the Factory, Shop and Office Building Act.

Referred to the Municipal Committee.

Bill (No. 138), To amend the Ontario Insurance Act.

Referred to the Legal Committee.

Bill (No. 136), To amend the Public Utilities Act.

Referred to a Committee of the Whole House To-morrow.

The House resolved itself into a Committee, severally to consider the following Bills:—

Bill (No. 8), To amend an Act respecting the Hamilton Young Women's Christian Association.

Bill (No. 16), Respecting the City of Owen Sound.

Bill (No. 30), Respecting the Township of North York.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the several Bills without amendments.

Ordered, That the Bills reported, be severally read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 128), To amend the Debenture Guarantee Act, 1924, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The Order of the Day for the second reading of Bill (No. 131), To amend the Consolidated Municipal Act, 1922, having been read,

Ordered, That the Order be discharged, and that the Bill be withdrawn.

The Order of the Day for Mr. Speaker to leave the Chair and that the House do resolve itself into the Committee of Supply, having been read,

The Debate was resumed,

And, after some time, it was, on the motion of Mr. Finlayson,

Ordered, That the Debate be further adjourned until To-morrow.

The House then adjourned at 6.05 p.m.

Thursday, March 19th, 1925.

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Finlayson, the Petition of the Victoria Harbour Methodist Church; also, the Petition of the W.C.T.U. of Orillia; also, the Petition of the Shanty Bay Methodist Sunday School; also, the Petition of the Coldwater Ladies' Aid of the Presbyterian Church; also, the Petition of the Coldwater Missionary Society of the Presbyterian Church; also, the Petition of the Victoria Harbour Young People's League of the Methodist Church.

By Mr. Carmichael, the Petition of the Quarterly Official Board of the Heathcote Circuit of the Methodist Church; also, the Petition of the Walters Falls Methodist Church; also, the Petition of the Maxwell U.F.W.O.; also, the Petition of the Kimberley Methodist Sunday School; also, the Petition of the Wodehouse Farmers' Club, No. 964; also, the Petition of the Nellengland Sunday School.

By Mr. Raney, the Petition of the Mount Forest W.C.T.U.; also, the Petition of the Presbyterian Congregation of St. John's, Belwood; also, the Petition of the members and adherents of the Alma Presbyterian Church.

By Mr. Widdifield, the Petition of the Uxbridge Young People's Baptist Union; also, the Petition of the Baptist Church of Cannington; also, the Petition of the Montreal U.F.O., No. 643, of Brechin; also, the Petition of the United Church of Sunderland; also, the Petition of the Women's Missionary Society of Free Methodist Church, Uxbridge; also, the Petition of the Baptist Church of Sunderland; also, the Petition of the Official Board of the United Church of Sunderland; also, the Petition of the Goodwood Baptist Church of the Township of Uxbridge; also, the Petition of the Congregation of St. Andrew's Church, Quaker Hill; also, of the Free Methodist Church, Uxbridge; also, of the Plebiscite Committee of the Township of Uxbridge; also, the Petition of the Uxbridge Baptist Church.

By Mr. Lethbridge, the Petition of the W.C.T.U. of Glencoe; also, the Petition of the Canada Zion Baptist Church; also, the Petition of the Presbyterian Church, Newbury; also, the Petition of the Baptist Church, Poplar Hill; also, the Petition of the Mount Brydges W.C.T.U.; also, the Petition of the Kerwood Methodist Sunday School; also, the Petition of the Caradoc Club, No. 375, of Longwood; also, the Petition of the Presbyterian Sabbath School, Muncey; also, the Petition of the Young People's Society of the Methodist Church, Muncey.

By Mr. Fisher, the Petition of the Western Methodist Sunday School, Ottawa.

By Mr. Graves, the Petition of the Westminster Presbyterian Church, St. Catharines; also, the Petition of the First Presbyterian Church, St. Catharines; also, the Petition of the Young People's Association of Welland Avenue Methodist Church, St. Catharines.

By Mr. Jamieson (Grey), the Petition of the Methodist Sunday School, Lamlash; also, the Petition of the Young People's Society of the Methodist Church, Dundalk; also, the Petition of the St. Columba Presbyterian Church, Priceville; also, the Petition of the St. Andrew's Church, Swinton Park; also, the Petition of the Official Board of the Methodist Church, Durham.

By Mr. Clarke (Brockville), the Petition of the Wall Street Methodist Sunday School, Brockville.

By Mr. Bradburn, the Petition of the Salvation Army, Peterborough; also, the Petition of the West Peterborough Rural Temperance Association; also, the Petition of the Peterborough Prohibition Union; also, the Petition of the St. James Methodist Church, Peterborough; also, the Petition of the Official Board of George Street Methodist Church, Peterborough; also, the Petition of the Treasure Seekers' Bible Class of St. James' Methodist Sunday School, Peterborough.

By Mr. Currie, the Petition of the Young People's League of the Carlton Street Methodist Church, Toronto.

By Mr. Chambers, the Petition of the Mount Elgin Young People's League; also, the Petition of the Salford Baptist Young People's League; also, the Petition of the Salford Baptist Young People's Union; also, the Petition of the Burgessville Baptist Church; also, the Petition of the Ingersoll Baptist Bible School; also, the Petition of St. Paul's Congregation of Ingersoll; also, the Petition of the Salford W.C.T.U.; also, the Petition of the Ingersoll Methodist Church; also, the Petition of the Beachville Home and School Club; also, the Petition of the Oxford Religious Education Council; also, the Petition of the Ingersoll Welcome Circle, King's Daughters; also, the Petition of the Ingersoll W.C.T.U.; also, the Petition of the Beachville Baptist Church; also, the Petition of the Norwich Council, No. 32, Royal Templars of Temperance; also, the Petition of the Tillsonburg First Baptist Church.

By Mr. Nixon, the Petition of the Young People's League of the Hope Bay Methodist Church; also, the Petition of the Second Onondaga Baptist Sunday School; also, the Petition of the Second Onondaga Baptist Church; also, the Petition of the Members and Adherents of the Appin Presbyterian Church; also, the Petition of the Members and Adherents of the North Ekfrid Presbyterian Church; also, the Petition of the St. George Baptist Church.

By Mr. Carty, the Petition of the McNab Township Branch of the Ontario Prohibition Union; also, the Petition of the Quarterly Official Board of Grace Methodist Church, Arnprior; also, the Petition of the Quarterly Official Board of Grace Methodist Church, Cobden.

By Mr. Mark, the Petition of the Gelert Sunday School; also, the Petition of the Peniel Methodist Sunday School; also, the Petition of the United Church Carnarvon Mission; also, the Petition of the Carnarvon United Church Sunday School; also, the Petition of the Sunday School at Bexley Appointment on Victoria Road Methodist Mission; also, the Petition of the Epworth League of the Bexley Appointment on Victoria Road Methodist Mission.

The following Petitions were read and received:—

Of the Bobcaygeon Baptist Church; also, of the Glandine Sunday School; also, of the Verulam Scotch Line Baptist Church; also, of the Lodge Room Methodist Church, Trenton; also, of the Young People's League, Thomasburg Methodist Church; also, of the Melrose Union, Young People's League; also, of the Trustee and Official Boards of the Thomas Methodist Church; also, of the Moira, Fuller and West Huntingdon Methodist Church; also, of the Lonsdale Presbyterian Church; also, of the Lonsdale Presbyterian Sunday School; also, of the Lanark County W.C.T.U.; also, of the Smith's Falls W.C.T.U.; also, of the Appleton St. Andrew's Presbyterian Church; also, of the Melville Presbyterian Church; also, of the Quarterly Official Board, Almonte Methodist Church; also, of the Lanark and Renfrew Presbyterian Women's Missionary Society; also, of the Official Board of the Carleton Place Methodist Church; also, of the Official Board of the Lennoxville Circuit of the Methodist Church; also, of the Sutton West Sunday School; also, of the King Young People's League; also, of the Young People's League of the Methodist Church of Orillia; also, of the Front Road Methodist Church; also, of the Front Road Methodist Sunday School; also, of the Y.W.C.T.U. of Belleville; also, of the Duart Presbyterian Sabbath School and Organized Adult Bible Class; also, of the W.C.T.U. of Fort William; also, of the State River Baptist Church; also, of the W.C.T.U. of Enterprise; also, of the Enterprise Methodist Church; also, of the Officers and Teachers and Adult Members of the Comber Methodist Sunday School; also, of the Comber Methodist Church; also, of the West Plain Methodist Sunday School; also, of the Brockville Methodist Church; also, of the Breadalbane Baptist Church, Vankleek Hill; also, of the Vankleek Hill Baptist Church, praying that the Government pass only such amendments to the Ontario Temperance Act as will strengthen its prohibitory provisions.

The following Bill was introduced and read the first time:—

Bill (No. 153), intituled "The Ontario Temperance Amendment Act, 1925."
Mr. Nickle.

Ordered, That the Bill be read the second time To-morrow.

The Order of the Day for resuming the Adjourned Debate on the Motion, That Mr. Speaker do now leave the Chair and that the House resolve itself into the Committee of Supply, having been read,

The Debate was resumed,

And, after some time, it was, on the motion of Mr. Ferguson,

Ordered, That the Debate be further adjourned until To-morrow.

The following Bills were severally read the second time:—

Bill (No. 139), To amend the Ontario Insurance Act, 1924.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 140), To amend the Loan and Trusts Corporation Act.

Referred to a Committee of the Whole House To-morrow.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Report of the Inspector of Division Courts, 1924. (*Sessional Papers, No. 5.*)

The House then adjourned at 10.40 p.m.

Friday, March 20th, 1925.

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Finlayson, the Petition of the Ladies' Aid Society, Knox Church, Moonstone; also, the Petition of the Congregation of St. Luke's Anglican Church, Price's Corners; also, the Petition of the Congregation of St. George's Anglican Church, Fairvalley.

By Mr. Carmichael, the Petition of the Northcote W.M.S. Presbyterian Church; also, the Petition of the Ravenna Church Sunday School; also, the Petition of the Victoria Church and Subdivision of Loree; also, the Petition of the Providence Methodist Church, Centre Grey; also, the Petition of the Osprey Temperance Organization; also, the Petition of the Mount Zion Methodist Church; also, the Petition of the Mount Zion Methodist Sunday School; also, the Petition of the Redwing Methodist Church Members; also, the Petition of the Religious Education Council of Peel.

By Mr. Kennedy, the Petition of the Alton Epworth League; also, the Petition of the Inglewood U.F.W.O.; also, the Petition of the Inglewood U.F.O.; also, the Petition of the Bolton Methodist Sunday School; also, the Petition of the Young People's League of Grace Methodist Church, Brampton; also, the Petition of the W.C.T.U., Brampton; also, the Petition of the Bethany Methodist Church; also, the Petition of the Harrison's Methodist Church; also, the Petition of the Ebenezer Methodist Sunday School, Brampton; also, the Petition of the Brampton Baptist Church; also, the Petition of the Lorne Park Baptist Church; also, the Petition of the Cheltenham Baptist Church; also, the Petition of the Snelgrove Baptist Church; also, the Petition of the Cooksville Young People's Society.

By Mr. Wright (Simcoe), the Petition of the Women's Auxiliary of the Baptist Church, Barrie.

By Mr. Sewell, the Petition of the Courtland Methodist Sunday School; also, the Petition of the Wilsonville Sunday School.

By Mr. Hill, the Petition of the Gilead Sunday School; also, the Petition of the Women's Missionary Society of the Gilead Methodist Church, Thurlow.

By Mr. Ireland, the Petition of the W.C.T.U., Belleville; also, the Petition of the Young People's League of Wesley Methodist Church, Trenton.

By Mr. Keith, the Petition of the Young People's Society of the Methodist Church, Queensville; also, the Petition of the Maple Grove Farmers' Club.

By Mr. Berry, the Petition of the Canfield Young People's League; also, the Petition of the South Cayuga Methodist Sunday School; also, the Petition of the Grace Methodist Church Young People's League.

By Mr. Jamieson (Grey), the Petition of the Mennonite Brethren in Christ Church, Hanover; also, the Petition of the Mennonite Brethren in Christ, Elmwood; also, the Petition of the Zion Epworth League, Glenelg Township; also, the Petition of the Ladies' Aid, W.M.S., of the Evangelical Church.

By Mr. Rankin, the Petition of the Grace Methodist Church, Verona.

By Mr. Homuth, the Petition of the Young People's League of Wesley Methodist Church, Galt; also, the Petition of the Executive Council, Galt District Young People's Leagues; also, the Petition of the Methodist church, Preston; also, the Petition of the Wesley Methodist Sunday School, Galt; also, the Petition of the Grace Evangelical Church of Roseville; also, the Petition of the New Hamburg Branch of the Women's Christian Temperance Union.

By Mr. Sweet, the Petition of the Philathea Bible Class of Trinity Methodist Church, Chesterville; also, the Petition of the Union Young People's Society of Norwood; also, the Petition of the Cloverdale Farmers' Club, Winchester.

By Mr. Hill, the Petition of the Methodist Sunday School, Thomasburg; also, the Petition of the Carmel Sunday School, Canifton Circuit; also, the Petition of the Carmel Epworth League, Canifton Circuit.

By Mr. Bradburn, the Petition of the Official Boards of Trinity Church, Peterborough; also, the Petition of the Murray Street Baptist Church, Peterborough; also, the Petition of the Session of Knox Church, Peterborough; also, the Petition of the Gilmour Memorial Baptist Young People's Union; also, the Petition of the Fairview Methodist Church; also, the Petition of the Fairview Sunday School; also, the Petition of the Young People's League of the Methodist Church, Lakefield; also, the Petition of the Lakefield Methodist Church Sunday School; also, the Petition of the Bethany Tabernacle Christian and Missionary Alliance; also, the Petition of the Park Street Baptist Church.

By Mr. Chambers, the Petition of the West Oxford Methodist Church Sunday School; also, the Petition of the West Oxford Methodist Church, Ingersoll; also, the Petition of the Oxford Centre Methodist Church; also, the Young People's League of the Methodist Church, Norwich; also, the Petition of the Regular Baptist Church of Ingersoll; also, the Petition of the Sweaburg Methodist Church; also, the Petition of the Young People's Union of the Norwich Baptist Church; also, the Petition of the Norwich Baptist Sunday School; also, the Petition of the Folden's Baptist Sunday School; also, the Petition of the Religious Society of Friends, Norwich; also, the Petition of the Delmer Methodist Sunday School.

By Mr. Bragg, the Petition of the Shiloh Methodist Church, West Durham; also, the Petition of the Officers and Members of Shiloh Methodist Sunday School, West Durham.

By Mr. Lethbridge, the Petition of the Battle Hill U.F.W.O.; also, the Petition of the Komoka W.C.T.U.; also, the Petition of the Epworth League, Komoka Methodist Church.

By Mr. Mewhinney, the Petition of the Session of Chalmers Church, Armour, West Bruce; also, the Petition of the Official Board of the Kincardine Methodist Church; also, the Petition of the Whitechurch Presbyterian Sunday School.

By Mr. Fenton, the Petition of the Allenford Methodist Church; also, the Petition of the Methodist Sunday School, Dobbinton; also, the Petition of the Community Welfare League, Port Elgin and Saugeen; also, the Petition of the Tiverton Branch, Ontario Prohibition Union; also, the Petition of the Vesta Farmers' Club; also, the Petition of the Tiverton Methodist Church; also, the Petition of the Glenmorris Farmers' Club; also, the Petition of the Elsinore Presbyterian Church; also, the Petition of the Epworth League Methodist Church, Dobbinton.

By Mr. Bragg, the Petition of the Eldad Young People's League, West Durham; also, the Petition of the Kendall United Sunday School; also, the Petition of the Hayden Methodist Sunday School.

By Mr. Carty, the Petition of the Young People's League of Grace Methodist Church; also, the Petition of the Dewar Presbyterian Ladies' Aid; also, the Petition of the Pine Grove U.F.W.O.

By Mr. Freeborn, the Petition of the Methodist Church, Dorchester; also, the Petition of the U.F.W.O., Wilton Grove; also, the Petition of the Methodist, Anglican and Presbyterian Congregations, Dorchester; also, the Petition of the Methodist Sunday School, Putnam; also, the Petition of the Presbyterian Sunday School and W.M.S., Dorchester, Women's Institute and Ladies' Aid of Presbyterian Church, Dorchester; also, the Petition of the Young People's Guild, Crumlin Presbyterian Church; also, the Petition of the Young People's League, North Street Methodist Church, Westminster Circuit; also, the Petition of the Tyneside Baptist Church; also, the Petition of the White Oak Young People's Society; also, the Petition of the Young People's Guild of Crumlin Presbyterian Church; also, the Petition of the Presbyterian Church, Dorchester.

By Mr. Kennedy (Temiskaming), the Petition of the Charlton Club, U.F.O.

By Mr. Sinclair, the Petition of the W.C.T.U., Oshawa; also, the Petition of the W.C.T.U., Whitby; also, the Petition of the Albert Street Methodist Church; also, the Petition of the Official Quarterly Board of the Greenwood Circuit, Bay of Quinte Conference; also, the Petition of the Whitby Baptist Church; also, the Petition of the Mount Zion Sabbath School; also, the Petition of the Mount Zion Epworth League; also, the Petition of the Kinsale Methodist Sunday School; also, the Petition of the Stalter "Y" of the W.C.T.U., Oshawa; also, the Petition of the Baptist Sunday School, Whitby; also, the Petition of the Kedron Methodist Sunday School, Brooklyn Circuit; also, the Petition of the Prince Albert Methodist Sunday School.

By Mr. Belanger, the Petition of the Young People's League, Russell Methodist Church; also, the Petition of the Russell Methodist Sunday School.

By Mr. Clarke, the Petition of the Bethesda Presbyterian Congregation, Harwood; also, the Petition of the Bethesda Y.P.S.C.E., Harwood; also, the Petition of the Roseneath Presbyterian Church; also, the Petition of the Cobourg Baptist Church; also, the Petition of the Official Board of Baltimore Circuit, Hamilton Township; also, the Petition of the Young People's League, Wicklow Methodist Church; also, the Petition of the Zion Sunday School, Seymour Methodist Church; also, the Petition of the Wicklow Methodist Sunday School; also, the Petition of the Women's Missionary Society, Grafton Methodist Church; also, the Petition of the Methodist Church, Wicklow; also, the Petition of the Methodist Church at Centreton; also, the Petition of the United Church Sunday School, Cobourg; also, the Petition of the West Northumberland Prohibition Union; also, the Petition of the Methodist Church, Grafton.

The following Petitions were read and received:—

Of the Colborne Club United Farmers; also, of the Union Club, United Farm Women of Ontario; also, of the Castleton United Farmers' Club, County of Northumberland; also, of the U.F.W.Q. of Colborne; also, of the Colborne Methodist Young People's League; also, of the Canfield Methodist Church, Cayuga Circuit; also, of the Township of Rainham O.T.A. Association, Selkirk; also, of the Cheapside Baptist Sunday School; also, of the Canfield W.C.T.U.; also, of the Methodist Church of the Village of Haldimand; also, of the Wesley Methodist Church, Whitechurch Township; also, of the United Farmers' Club, No. 770, of King; also, of the Temperanceville Sunday School; also, of the Presbyterian Sunday School, Eversley; also, of the Eversley Presbyterian Women's Missionary Society; also, of the Sharon Methodist Church; also, of the Bathurst Street Methodist Sunday School, Toronto; also, of the Broadway Methodist Tabernacle Sunday School; also, of the Kaladar Methodist Sunday School; also, of the Methodist Congregation of Ker; also, of the W.C.T.U., Bridgeburg; also, of the Young People's Society of Alliston; also, of the Young People's Society of the Methodist Church, Alliston; also, of the Lynnvile Baptist Church; also, of the Old Windham Sunday School; also, of the Young People's Society, St. Paul's Presbyterian Church, Simcoe; also, of the St. Paul's Presbyterian Sunday School, Simcoe; also, of the Courtland Baptist Church; also, of the W.C.T.U., Simcoe; also, of the Methodist Church, Waterford; also, of the Norfolk County Prohibition Union; also, of the Baptist Sunday School, Courtland; also, of the Lynnvile Baptist Church; also, of the Bloomsburg Baptist Church; also, of the United Church of Haliburton; also, of the Pleasant Point Church; also, of the Wilberforce Co-operative Dairy; also, of the Young People's League of the Hartley Methodist Church; also, of the Methodist and Presbyterian Congregations of Morewood; also, of the Dundas County Prohibition Union; also, of the Ormond Baptist Sunday School; also, of the Ormond Baptist Church; also, of the Trinity Methodist Sunday School, Chesterville; also, of the Clinton Club, U.F.O.; also, of the Presbyterian Congregations of Watson's Corners, St. James and Poland; also, of the Officers and Teachers of Riverdale Methodist Sunday School; also, of the Women's Missionary Society of Navan Union Congregation; also, of the Young People's Society, St. Andrew's Church, Marvelville; also, of the Women's Missionary Society, St. Andrew's Church, Marvelville; also, of the W.C.T.U. Glebe Union; also, of the Central W.C.T.U., Ottawa; also, of the Quarterly Official Board and the Trustee Board of Dominion Methodist Church, Ottawa; also, of the Teachers and Officers of the Sabbath School of the Chalmers Church, Ottawa; also, of the Methodist Sunday School, Caistorville; also, of the First Church of Christ Scientist, Ottawa; also, of the Ottawa Prohibition Union; also, of the Rosemount Avenue Sunday School Board of Management; also, of the Women's Missionary Society of the Dominion Methodist Church, Ottawa; also, of the Sunday School of Bell Street Methodist Church, Ottawa; also, of the Quarterly Official and Trustee Boards of Bell Street Methodist Church, Ottawa; also, of the French Baptist Church of Ottawa; also, of the Bowmanville Methodist Sunday School; also, of the Methodist Sunday School of Newcastle; also, of the Maple Grove Sunday School of the Methodist Church; also, of the St. John's Presbyterian Church, Grimsby; also, of the Young People's League, Bowmanville Methodist Church; also, of the Sunday School and Young People's League of the Newtonville Methodist Church; also, of the Quarterly and Official Board of the Newcastle Methodist Church; also, of the Methodist Church Sunday School of Long

Sault; also, of the Long Sault Methodist Church; also, of the Young People's League of the Hampton Methodist Church; also, of the United Brethren Sunday Schools of Port Elgin Mission Circuit; also, of the Women's Missionary Association of the United Brethren Churches of Bruce County; also, of the Session of Knox Church, Tara; also, of the Sunday School of Knox Church, Tiverton; also, of the Wesley Methodist Church of Berrie District; also, of the Olivet Church Union Sunday School; also, of the Whitechurch Chalmers Presbyterian Church; also, of the Reed's Corners Farmers' Club; also, of the Underwood Farmers' Club, No. 1102; also, of the Evangelical Church, 4th Bruce, Bruce Township; also, of the Kincardine Methodist Sunday School; also, of the East Toronto Council, No. 250, of the Royal Templars of Temperance; also, of the Eastview Baptist Sunday School; also, of the Innerkip Presbyterian Church; also, of the North Oxford Prohibition Union; also, of the Drumbo Methodist Sunday School; also, of the Plattsville Baptist Church; also, of the W.C.T.U., Woodstock; also, of the Woodstock College Avenue Methodist Church; also, of the Wolverton Baptist Church; also, of the Drumbo Baptist Church; also, of the Cargill Congregation of St. Andrew's Presbyterian Church; also, of the Congregation of Knox Memorial Presbyterian Church of Pinkerton; also, of the Jordan Station Union; also, of the Beamsville Temperance People; also, of the Lincoln County Women's Prohibition Union; also, of the W.C.T.U. of Campden; also, of the Grimsby Baptist Sunday School; also, of the Grimsby Sunday School of St. John's Presbyterian Church; also, of the W.C.T.U., Grimsby; also, of the Ladies' Aid, St. John's Presbyterian Church, Grimsby; also, of the Ladies' Aid of the Methodist Church, Grimsby; praying that the Government pass only such amendments to the Ontario Temperance Act as will strengthen its prohibitory provisions.

The following Bills were severally introduced and read the first time:—

Bill (No. 154), intituled "An Act to repeal the Billiard Room and Bowling Alley License Act." *Mr. Price.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 155), intituled "An Act to amend the Health Department Act." *Mr. Ferguson.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 156), intituled "An Act to amend the Public Libraries Act." *Mr. Ferguson.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 157), intituled "An Act to amend the School Laws." *Mr. Ferguson.*

Ordered, That the Bill be read the second time on Monday next.

On motion of Mr. Keith, seconded by Mr. Rowe,

Ordered, That, notwithstanding the time for Reports from Standing Orders has expired, leave be given to introduce a Bill respecting the Township of York, and that the same be read a first time and referred to the Committee on Private Bills.

The following Bill was then introduced and read the first time:—

• Bill (No. 118), intituled "An Act respecting the Township of York." *Mr. Keith.*

Referred to the Committee on Private Bills.

Mr. Sangster asked the following Question:—

1. What amount of money was paid to each of the members of the Government during the last fiscal year as an allowance for travelling expenses in addition to Ministers' salary, sessional indemnity and mileage.

And the Provincial Treasurer replied as follows:—

The answer to this Question is embodied in the reply to Question No. 32.

Mr. Tellier asked the following Question:—

1. Is Hon. James Lyons, Minister of Lands and Forests, a shareholder of the Lyons Fuel and Supply Company, Limited. 2. Is he a director of the said company. 3. What is the capital stock of said company. 4. How many shares does he hold in it. 5. How many shares in said company are held in trust for him by other parties. 6. Is this the company whose name appears on page F. 35 of the Public Accounts for 1924 as having been paid \$14,202.58 for supplies in connection with the making of roads under the Northern and North-western Development Acts.

And the Minister of Lands and Forests replied as follows:—

1. Yes. 2. Yes. 3. \$40,000. 4. One. 5. None. 6. Yes.

Mr. Mewhinney asked the following Question:—

1. Who are the officers of G. W. Ecclestone, Limited. 2. Who are the Directors. 3. Is G. W. Ecclestone, M.P.P., a shareholder. 4. Is this the company to whom the following payments were made, as appears by the Public

Accounts, 1924:—Page F. 30, \$30.68; page I. 32, \$376.83; page I. 33, \$226.40; page I. 33, \$1,158.23; page I. 34, \$2,271.90; page I. 38, \$130.21; page I. 40, \$238.10.

And the Premier replied as follows:—

1, 2 and 3. This information is on record in the office of the Provincial Secretary. 4. Yes.

Mr. Fenton asked the following Question:—

1. Is G. W. Ecclestone, whose name appears at pages F. 24, F. 25, F. 27, F. 28, F. 29 and F. 30 of the Public Accounts for the last fiscal year, as having received various sums of money from the Department of Lands and Forests, identical with G. W. Ecclestone, the member in this House from Muskoka. 2. Have other moneys been paid by the present Government to Mr. Ecclestone (other than his sessional indemnities). 3. If so, in what amounts, and when, and what for. 4. Has he any claims against the Government now.

To which the Premier replied as follows:—

1. This question is based on an error in the printing of the Public Accounts. The purchases referred to were not made from the member for Muskoka, but from the G. W. Ecclestone Company, Limited. 2. No. 3. Answered by the reply to No. 2. 4. No claims have been rendered.

Mr. Widdifield asked the following Question:—

1. Have moneys other than the \$14,202.58, referred to at page F. 35 of the Public Accounts, been paid by the present Government to the Lyons Fuel and Supply Company, Limited. 2. If so, what moneys and when, and for what considerations. 3. Has the said company any claims now against the Government. 4. Are there any current transactions or dealings between the Government and the said company.

And the Minister of Lands and Forests replied as follows:—

1. Yes. 2. Ending October 31st, 1923: \$2,484.50, of which \$1,940.85 was contracted by the Drury Government. Paid since November 1st, 1924: \$3,175.76; said moneys were paid for gravel, cement, tile and coal. 3. No. 4. No.

Mr. Fenton asked the following Question:—

1. What was the occasion for the payment of \$2,978.91 by the Department of Lands and Forests to G. W. Ecclestone Company, Limited, as shown by the Public Accounts, page F. 34. 2. Is G. W. Ecclestone, member for Muskoka, a shareholder in the G. W. Ecclestone Company, Limited. 3. Does Mr. Eccle-

stone hold a controlling interest in the said company. 4. Has the said company received any other moneys from the present Government. 5. Has it any claims against the Government that have not been paid.

And the Premier replied as follows:—

1. The purchase of materials used in connection with bridge and road construction. 2. Yes. 3. Yes. 4. Yes. 5. No.

Mr. Widdifield asked the following Question:—

1. With reference to the item "Lyons Fuel and Supply Company, Limited, \$14,202.58," appearing at page F. 35 of the Public Accounts now before the House, as an expenditure by the Department of Lands and Forests, what was the occasion for the payment of the said sum to the Lyons Fuel and Supply Company, Limited. 2. If the payment was for goods, what were the goods. 3. Were tenders for the supply of the goods called for. 4. If not, who represented the Government in fixing the prices of the goods, and who represented the company in fixing the prices. 5. Is the Minister of Lands and Forests connected with the Lyons Fuel and Supply Company, Limited. 6. If so, what is his connection. 7. Has he or his wife a controlling interest in the company.

And the Minister of Lands and Forests replied as follows:—

1. For the purchase of supplies and material to be used in road and bridge construction. 2. Cement, gravel, drain tile, coal and cement pipe. 3. The engineer authorized to make such purchases advises me that all materials were purchased at lowest price after competitive offers had been secured. 4. Answered by No. 3. 5. Yes. 6. Director. 7. Yes; holding 191 shares, as compared with 172 shares by others.

Mr. Callam asked the following Question:—

1. Does Mr. Frederick W. Lippert, the defeated Conservative candidate for South Bruce at the election of June, 1923, control or have any special influence in respect to the Government patronage for that riding. 2. Have appointments to the public service been made on his nomination. 3. If so, what appointments.

To which the Premier replied as follows:—

1. All appointments are made either by the Ministers in charge of the Departments concerned, or by the Government on their recommendations, and are not otherwise controlled by anyone. The influence, special or otherwise, of any representation made to Ministers depends upon the value of the representation from the standpoint of the public interest. 2 and 3. Answered by the reply to Question No. 1.

Mr. Doherty asked the following Question:—

1. Does Mr. Samuel W. Beamish, the defeated Conservative candidate for East Kent at the election of June, 1923, control or have any special influence in respect to the Government patronage for that riding. 2. Have appointments to the public service been made on his recommendation. 3. If so, what appointments.

And the Premier replied as follows:—

1. All appointments are made either by the Ministers in charge of the Departments concerned, or by the Government on their recommendations, and are not otherwise controlled by anyone. The influence, special or otherwise, of any representation made to Ministers depends upon the value of the representation from the standpoint of the public interest. 2 and 3. Answered by the reply to Question No. 1.

Mr. Lethbridge asked the following Question:—

1. Is there a Government list of newspapers for patronage purpose. 2. If so, what newspapers are on it.

And the Premier replied as follows:—

1. No. 2. Answered by the above.

Mr. Kemp asked the following Question:—

1. How many doctors exceeded the limit of fifty prescriptions on liquor dispensaries,—(a) For the fiscal year ending October 31st, 1923; (b) for the month of December, 1923; (c) for the previous fiscal year; (d) for the month of December, 1922. 2. How many exceeded sixty, how many seventy-five, and how many one hundred, for each of these periods.

And the Attorney-General replied as follows:—

1. The following number of instances of doctors exceeding fifty prescriptions on the liquor dispensaries per month have been reported,—(a) 951; (b) 360; (c) 792; (d) 256. It is to be noted, however, that in some instances the same doctor has been reported more than once. 2. For the fiscal year ending October 31st, 1923: Exceeding sixty, 55; exceeding seventy-five, 22; exceeding one hundred, 1. For the month of December, 1923: Exceeding sixty, 55; exceeding seventy-five, 15; exceeding one hundred, none. For the fiscal year ending October 31st, 1922: Exceeding sixty, 98; exceeding seventy-five, 34; exceeding one hundred, 10. For the month of December, 1922: Exceeding sixty, 14; exceeding seventy-five, 11; exceeding one hundred, none. Note—in these answers over 50 means 51 to 60, over 60 means 61 to 75, over 75 means 76 to 100.

Mr. Ross asked the following Question:—

1. Has Mr. Turnbull, the Deputy Treasurer, any duties or authority differing from those of the former Treasurer. 2. If so, what are they. 3. What are the terms of the Order in Council appointing him.

And the Provincial Treasurer replied:—

1. Yes. 2. He is Controller of Finance. 3. An Order-in-Council defining his duties will be passed when the item in the Supplementary Estimates providing for his permanent appointment has been approved by the Legislature.

Mr. Fenton asked the following Question:—

1. Do Mr. James Crawford, President of the North Bruce Conservative Association, or James A. Macdonald, Secretary of the said Association, together or separately control or have any special influence in respect to the Government patronage for that riding. 2. Have appointments to the public service been made on his nomination. 3. If so, what appointments. 4. If these gentlemen do not control this Government patronage of North Bruce, who does.

To which the Premier replied as follows:—

1. All appointments are made either by the Ministers in charge of the Departments concerned, or by the Government on their recommendations, and are not otherwise controlled by anyone. The influence, special or otherwise, of any representation made to Ministers, depends upon the value of the representation from the standpoint of the public interest. 2, 3 and 4. Answered by the reply to Question No. 1.

Mr. Nixon asked the following Question:—

1. Does Mr. J. M. Patterson, the defeated Conservative candidate for North Brant at the election of June, 1923, control or have any special influence in respect to the Government patronage for that riding. 2. Have appointments to the public service been made on his nomination. 3. If so, what appointments.

And the Premier replied as follows:—

1. All appointments are made either by the Ministers in charge of the Departments concerned, or by the Government on their recommendations, and are not otherwise controlled by anyone. The influence, special or otherwise, of any representation made to Ministers, depends upon the value of the representation from the standpoint of the public interest. 2 and 3. Answered by the reply to Question No. 1.

Mr. Freeborn asked the following Question:—

1. What issues of treasury bills have been put out by the present Government.
2. What brokerage charges were paid by the Government in each case, and to whom.

To which the Provincial Treasurer replied as follows:—

1. \$5,000,000, $5\frac{1}{4}\%$, Series "N"; \$3,000,000, $5\frac{5}{8}\%$, Series "P"; \$10,000,000, 5% , Series "R"; \$6,000,000, 5% , Series "T"; \$3,000,000, 3.90% , Series "U"; \$5,000,000, $4\frac{1}{4}\%$, Series "V"; \$5,000,000, $3\frac{1}{2}\%$, Series "W"; \$5,000,000, $4\frac{1}{4}\%$, Series "X." 2. No brokerage charges paid.

Mr. Freeborn asked the following Question:—

1. What issues of bonds have been put out by the present Government.
2. What brokerage charges were paid by the Government in each case and to whom.

And the Provincial Treasurer replied as follows:—

1. \$40,000,000, 5% , Series "AF"; \$20,000,000, $4\frac{1}{2}\%$, Series "AG." 2. No brokerage charges paid.

Mr. Ross asked the following Question:—

1. What sum now stands to the credit of the Hydro-Electric Power Extension Fund.
2. Have grants been made to any municipalities on account of the cost of constructing and erecting service transformers and meters and secondary lines on the highway.
3. If so, to what municipalities, and what was the amount of the grant to each.
4. What was expended by each of these municipalities for constructing and erecting service transformers and meters and secondary lines on the highway.

To which the Premier replied as follows:—

1. No money has been actually placed in the fund, the bonuses being paid out of the appropriation for this purpose made by the Legislature which is \$1,000,000.00 for the current year. 2. The bonuses have been paid to the Hydro-Electric Power Commission to reimburse it for expenditures made for the various rural power districts and reduce their rates correspondingly. These districts do not in all cases conform to municipal boundaries. 3. The bonus is one-half of the total expenditure in each case. 4. The total expenditures in the various rural power districts for the purposes named have been as follows: Niagara, \$16,966.52; Homer, \$20,855.00; Jordan, \$13,607.10; Beamsville, \$39,320.87; Welland, \$38,697.50; Stamford, \$8,311.07; Chippawa, \$7,094.82;

Dundas, \$30,175.42; Lynden, \$6,295.93; Waterdown, \$12,783.38; Barton, \$5,455.95; Markham, \$7,229.12; Scarboro, \$3,545.45; Bond Lake, \$31,221.35; Newmarket, \$3,438.68; Keswick, \$19,433.16; Mount Joy, \$1,100.68; Lansing, \$15,249.21; Dorchester, \$27,731.54; London, \$62,227.27; Delaware, \$12,901.90; Lucan, \$333.26; Exeter, \$6,816.80; Acton, \$178.91; Georgetown, \$2,261.46; Guelph, \$3,572.00; Preston, \$31,035.85; Galt, \$2,765.21; Baden, \$5,134.00; St. Jacobs, \$23,609.96; Tavistock, \$3,399.59; Goderich, \$1,207.29; Walton, \$1,203.72; Stratford, \$3,633.88; Norwich, \$19,273.09; Woodstock, \$30,528.25; Ingersoll, \$179.91; Tillsonburg, \$28,949.42; St. Thomas, \$31,584.93; Aylmer, \$9,235.44; Brant, \$12,060.84; Waterford, \$2,363.45; Drumbo, \$4,789.38; Simcoe, \$1,722.46; Streetsville, \$320.69; Brampton, \$1,359.60; Chatham, \$16,631.08; Ridgetown, \$12,086.20; Blenheim, \$7,660.82; Sarnia, \$16,205.59; Petrolia, \$1,600.45; Forest, \$179.91; Bothwell, \$671.92; Wallaceburg, \$16,899.49; Tilbury, \$325.31; Sandwich, \$51,384.86; Belle River, \$9,684.37; Woodbridge, \$22,309.91; Bolton, \$5,639.74; Saltfleet, \$55,568.01; Flesherton, \$924.07; Markdale, \$602.07; Tara, \$535.37; Wroxeter, \$2,335.00; Lucknow, \$345.10; Ripley, \$137.39; Walkerton Quarry, \$337.24; Midland, \$337.06; Barrie, \$3,068.82; Nottawasaga, \$5,659.69; Elmvale, \$1,273.79; Stayner, \$5,251.00; Cannington, No. 1, \$2,297.57; Cannington, No. 2, \$3,968.87; Kirkfield, \$1,137.00; Port Perry, \$681.61; Mariposa, \$9,006.80; Prescott, \$5,724.52; Brockville, \$3,553.91; Chesterville, \$705.03; Williamsburg, \$163.77; Martintown, \$3,373.48; Apple Hill, \$152.17; Nepean, \$13,390.96; Campbellford, \$5,678.62; Lakefield, \$158.00; Bowmanville, \$248.32; Oshawa, \$22,550.98; Trenton, \$132.75; Kingston, \$7,316.90; Amherstburg, \$8,541.47; Harrow, \$547.38; Kingsville, \$19,557.29; Leamington, \$14,638.81—\$972,341.78.

Mr. Mewhinney asked the following Question:—

1. Has the Government sold part of the farm lands of the Ontario Hospital, Brockville. 2. If so, to whom has the same been sold. 3. If it has not sold the same, has it advertised the same for sale. 4. Why was the same advertised for sale. 5. What change in policy has been made to make it desirable to sell the same.

And the Minister of Public Works replied as follows:—

1. No. 2. Answered by No. 1. 3. Yes. 4. Government desires to sell. 5. Economy.

Mr. Sangster asked the following Question:—

1. What was the work done in Madoc Township for which \$798.45 was paid, as appears on page F. 21, Public Accounts, 1924. 2. Who supervised the work.

And the Minister of Lands and Forests replied as follows:—

1. Expenditure made on roads in pursuant with the Statute under by-law in the Township of Madoc. 2. W. E. Wiggins, Road Inspector.

Mr. Mewhinney asked the following Question:—

1. What was the contract for which the McNamara Construction Company was paid \$279,166.78, as appears on page F. 37 of the Public Accounts, 1924. 2. Was the contract let by tender. 3. In what papers were tenders advertised for. 4. Was the lowest tender accepted. 5. Was there any change in the nature or amount of work to be done after the tender was accepted. 6. How much of said sum consists of extras or variations from the original contract.

And the Minister of Lands and Forests replied as follows:—

1. (a) Cement concrete roadway, Sudbury to Coniston, \$196,227.75; (b) bituminous penetration roadway, Timmins to South Porcupine, \$82,939.03. 2. (a) Yes; (b) yes. 3. (a) Contract Record, Canadian Engineer, Sudbury Star; (b) Contract Record, Canadian Engineer, Porcupine Advance, Timmins Free Press. 4. (a) Yes; (b) yes. 5. No. 6. (a) None; (b) No extras; a large unexpected sink hole made it necessary for the purpose of effecting a saving for the Province to use a cheaper material than that required by the specifications.

Mr. Wallis asked the following Question:—

1. Has the Government constructed bridges in Hastings County, known as O'Hara bridge on road between Lots 5 and 6, Concession 3, Madoc Township, and St. Charles Creek bridge on road in Lot 4 between Concessions 6 and 7 in Madoc Township. 2. What was the cost of each of said bridges. 3. Was a Mr. Wiggins, the Inspector of Colonization Roads, in charge of said work. 4. If not, who supervised the work.

And the Minister of Public Works replied as follows:—

1. Yes. 2. O'Hara or Kelly Creek bridge, \$960.11; St. Charles Creek bridge, \$1,059.63. 3. Plans for these bridges were prepared by the Department of Public Works Engineers. The bridges were constructed according to plans by the county construction gang, acting under the direction of Walter Wiggins, local Road Inspector. 4. Answered by No. 3.

Mr. Bragg asked the following Question:—

1. What was the work done in Madoc Township for which \$500.98 was paid, as appears on page F. 27, Public Accounts, 1924. 2. Who supervised the work.

And the Minister of Lands and Forests replied as follows:—

1. Expenditure covers colonization road work done in Township of Madoc. 2. W. E. Wiggins, Road Inspector.

Mr. Taylor asked the following Question:—

1. Was John Crowe, a disabled war veteran, recently dismissed from the post of Issuer of Auto Markers for Owen Sound, and, if so, why. 2. On whose complaint was he dismissed and what was the complaint. 3. Has he since been reinstated. 4. If so, on whose recommendation has he been reinstated.

And the Minister of Highways replied as follows:—

1. No. 2, 3 and 4. Answered by No. 1.

Mr. Lethbridge asked the following Question:—

1. Was there, under the former Government, a limit on the number of prescriptions on the liquor dispensaries to which physicians were expected to conform. 2. If so, what was the limit. 3. Is that rule now in existence. If not, when was it abandoned, and why. 4. Was there, under the former Government, a committee of physicians co-operating with the Government to assist in securing law observance by members of the medical profession. 5. Who were the members of the committee. 6. Is there such a committee now. 7. If so, who are its members. 8. If not, when did the committee cease to exist, and why.

And the Attorney-General replied as follows:—

1 and 2. A maximum of not more than fifty dispensary liquor prescriptions was set as ample, this, however, not being considered a quota or as warranting habitual issue of the maximum. 3. Yes. 4. No. There was a committee of physicians appointed by the Medical Association to confer with the Board. 5. Drs. N. A. Powell, John Ferguson and T. C. Routley. 6. Yes. 7. The same as No. 5. 8. Answered by No. 7.

Mr. Nixon asked the following Question:—

1. Does the Government advance sums of money, to partially cover expenses, to immigrants coming to this Province to take farm work. 2. If so, how many cases of this kind have there been. 3. What is the average amount advanced in such cases. 4. What has been the loss, if any, from failure to repay these loans. 5. What steps, if any, are being taken to collect this amount.

And the Minister of Agriculture replied as follows:—

1. Only in very special cases, as advances are now made by the Federal Government and the Overseas Settlement Office of the British Government. 2. Six in the last fiscal year. 3. £19. 4. No loss. 5. All amounts due have been paid.

Mr. Lang asked the following Question:—

1. What solicitor or solicitors were employed by the Government to draft the Judicature Act, 1924. 2. What counsel was consulted in the preparation of the same. 3. Had the Government any opinion presented to it as to the legality of said Bill before it was enacted. 4. Was such opinion that the said Bill was *intra vires* of the Legislature.

And the Premier replied as follows:—

1. A. M. Dymond, K.C. 2. W. N. Tilley, K.C., and McGregor Young, K.C. 3. Yes. 4. Yes.

Mr. Belanger asked the following Question:—

1. Is it the intention of the Government to print the evidence taken before the Snider Commission on the Settell charges. 2. Has the evidence been extended from the reporter's shorthand notes. 3. What action has been taken on the report. 4. Where is the report. 5. Is it available for the use of the members and the public.

To which the Premier replied as follows:—

1. The Printing Committee of this House decides upon such matters. 2. Yes. 3. It has been given to the public. 4. In the Department of the Provincial Secretary. 5. Yes.

Mr. Pinard asked the following Question:—

1. Was the interest on deposits in Government Savings Banks reduced. If so, why. 2. Did the Government receive representations from any of the chartered banks on the subject, or the individual directors of same, favouring the reduction. 3. Did the Government in this change consider the welfare of the depositors and the public as paramount to that of the financial arrangements of the province, or the reverse. 4. Is the Government aware that great hardship was done to the public in the way of reduction of income through this change.

And the Provincial Treasurer replied as follows:—

1. These questions have been answered previously. (See answer to question by Mr. Fisher, page 111—Votes and Proceedings). 2. No. 3. The Govern-

ment acted on its own initiative, having in mind the declining rates of interest, the desirability of creating a reserve and with the ultimate object of reducing the rates of interest to the farmer. 4. There was no such hardship.

Mr. Rowe asked the following Question:—

1. What amounts of money were paid to each of the members of the Government during the fiscal years from 1915 to 1924, both inclusive, as allowance for travelling expenses, in addition to Ministers' salaries, Sessional indemnities and mileage.

To which the Premier replied as follows:—

1915—Hon. R. A. Pyne, \$2,000 (includes expenses of self and Secretary in England); Hon. G. H. Ferguson, \$400; Hon. F. G. Macdiarmid, \$300; Hon. T. W. McGarry, \$900; Hon. T. W. McGarry, \$900 (includes expenses of self and Solicitor to Treasury attending Tax Association Convention in San Francisco); Hon. J. S. Duff, \$300. 1916—Hon. W. H. Hearst, \$1,000 (includes expenses *re* trip to England); Hon. R. A. Pyne, \$1,000 (includes expenses *re* trip to England); Hon. G. H. Ferguson, \$500; Hon. F. G. Macdiarmid, \$300; Hon. T. W. McGarry, \$710; Hon. W. J. Hanna, \$300; Hon. J. S. Duff, \$150. 1917—Hon. G. H. Ferguson, \$500; Hon. F. G. Macdiarmid, \$300; Hon. T. W. McGarry, \$700; Hon. W. D. Macpherson, \$200. 1918—Hon. H. J. Cody, \$125; Hon. G. H. Ferguson, \$900; Hon. F. G. Macdiarmid, \$400; Hon. T. W. McGarry, \$700; Hon. W. D. Macpherson, \$300; Hon. G. S. Henry, \$150. 1919—Hon. W. H. Hearst, \$500; Hon. I. B. Lucas, \$300; Hon. H. J. Cody, \$500; Hon. G. H. Ferguson, \$1,000; Hon. F. G. Macdiarmid, \$300; Hon. T. W. McGarry, \$800; Hon. W. D. Macpherson, \$850; Hon. G. S. Henry, \$500. 1920—Hon. E. C. Drury, \$350; Hon. W. E. Raney, \$200; Hon. R. H. Grant, \$500; Hon. Beniah Bowman, \$1,000; Hon. H. Mills, \$800; Hon. F. C. Biggs, \$1,000; Hon. Peter Smith, \$500; Hon. H. C. Nixon, \$500; Hon. Manning Doherty, \$900. 1921—Hon. E. C. Drury, \$500; Hon. W. E. Raney, \$300; Hon. R. H. Grant, \$1,000; Hon. Beniah Bowman, \$550; Hon. H. Mills, \$700; Hon. F. C. Biggs, \$1,000; Hon. W. R. Rollo, \$1,500 (includes expenses *re* trip to Geneva); Hon. W. R. Rollo, \$500; Hon. Peter Smith, \$500; Hon. H. C. Nixon, \$500; Hon. Manning Doherty, \$1,100 (includes expenses *re* trip to England); Hon. Manning Doherty, \$500. 1922—Hon. E. C. Drury, \$750; Hon. R. H. Grant, \$1,000; Hon. Beniah Bowman, \$750; Hon. H. Mills, \$600; Hon. F. C. Biggs, \$1,000; Hon. Peter Smith, \$500; Hon. H. C. Nixon, \$500; Hon. Manning Doherty, \$700. 1923—Hon. E. C. Drury, \$300; Hon. R. H. Grant, \$1,000; Hon. Beniah Bowman, \$550; Hon. H. Mills, \$700; Hon. F. C. Biggs, \$1,000; Hon. W. R. Rollo, \$500; Hon. Peter Smith, \$500; Hon. H. C. Nixon, \$500; Hon. Manning Doherty, \$500; Hon. W. F. Nickle, 29.52; Hon. Jas. Lyons, \$600; Hon. C. McCrea, \$600; Hon. Dr. Forbes Godfrey, \$400; Hon. W. H. Price, \$500; Hon. Lincoln Goldie, \$500; Hon. J. S. Martin, \$400. 1924—Hon. G. H. Ferguson, \$500; Hon. Jas. Lyons, \$900; Hon. C. McCrea, \$3,500 (includes expenses of trip to England for interesting British capital in Ontario mining development); Hon. C. McCrea, \$500; Hon. G. S. Henry,

\$700; Hon. Dr. Forbes Godfrey, \$975; Hon. W. H. Price, \$800; Hon. Lincoln Goldie, \$100; Hon. J. S. Martin, \$2,000 (includes expenses *re* trip to England and Denmark to investigate co-operative marketing and agricultural development in Denmark and immigration from British Isles); Hon. J. S. Martin, \$900.

Mr. Ireland asked the following Question:—

1. What was the occasion for the following payments to the Mageau Lumber Company, as shown in the Public Accounts:—1922—page E. 82, \$1,241.97; 1923—page E. 20, \$57.15; page E. 63, \$32.00; page H. 57, \$109.66; page H. 64, \$122.50; 1924—page F. 35, \$58.68; page I. 37, \$63.60; page I. 32, \$22.57; page I. 32, \$442.13. 2. Did Mr. Mageau, the member for Sturgeon Falls, hold a controlling interest in the said Company. 3. Who are the Directors of the Mageau Lumber Company. 4. Who are the shareholders of the said Company. 5. Did the Mageau Lumber Company tender in open competition for the supplies represented by the above amounts.

And the Premier replied as follows:—

1. 1922, page E. 82, \$1,241.97, supplying of material used in connection with the construction of roads and bridges; 1923, page E. 20, \$57.15, camp supplies and equipment; 1923, page E. 63, \$32.00, material for bridges; 1923, page H. 57, \$109.66, lumber for repairs to bridges in the Sturgeon Falls District; 1923, page H. 64, \$122.50, lumber for repairs to bridges in the Sturgeon Falls District; 1924, page F. 35, \$58.68, sundry hardware supplies and lumber; 1924, page I. 37, \$63.60, lumber and cement for repairs to bridges in the Sturgeon Falls District; 1924, page I. 32, \$22.57, hardware, nails, etc., for repairs to bridges in the Sturgeon Falls District; 1924, page I. 32, \$442.13, lumber, nails, etc., for repairs to bridges in the Sturgeon Falls District. 2, 3 and 4. This information is on record in the office of the Provincial Secretary. 5. There is no record in the Departments of tenders having been called for.

Mr. Currie asked the following Question:—

How much money were Hon. Justice Riddell and Hon. Mr. Justice Latchford paid respectively for their services on the Timber Commission. When were these amounts paid. At the time they received these amounts was there an Act of the Dominion of Canada in force to prevent judges from receiving fees for work on commissions of this kind.

To which the Premier replied as follows:—

Hon. Justice Latchford, \$2,000, September 30, 1921; Hon. Justice Latchford, \$10,000, December 20, 1922; Hon. Justice Riddell, \$2,000, September 30, 1921; Hon. Justice Riddell, \$10,000, December 29, 1922. These judges were appointed on the Timber Commission by Order-in-Council, bearing date the 9th March, 1920. Subsequent to their appointment, the Dominion Judges Act was amended

by adding section 34 thereto, sub-section 1 of which reads as follows:—“(1) No judge shall receive any remuneration in addition to his judicial salary for acting as administrator or deputy of the Governor-General, or for any duty or service, whether judicial or executive, which he may hereafter be required to perform for or on behalf of the Government of Canada or the Government of any Province thereof. Provided that this section shall not affect the right of any judge under the provisions of any statute, Dominion or Provincial, now in force.” On the 11th January, 1922, an Order-in-Council was passed submitting a question to the Appellate Division of the Supreme Court of Ontario under the Constitutional Questions Act, R.S.O. 1914, chapter 85, as follows:— “Does the Judges Act (The Revised Statutes of Canada, 1906, Chapter 138), Section 34, as enacted by 10-11 George V, Chapter 56, Section 12, prevent a judge or judges from receiving additional remuneration for executing commissions to which he or they were appointed by Order of His Honour, the Lieutenant-Governor in Council, passed prior to the coming into force of the said section.” The said court answered the said question in the negative, see *re* Judges Act, 52, Ontario Law Reports, page 105.

Mr. Taylor asked the following Question:—

1. What has been the total cost to the Province of the legal proceedings in the Home Bank matters to date. 2. How much has been paid to lawyers and to whom, giving amount paid to each. 3. How much has been paid to witnesses and to whom in each case. 4. What were the other expenses.

And the Premier replied as follows:—

1. \$112,466.48. 2. \$64,465.03. D. L. McCarthy, K.C., accountable cheques, \$36,000; fee and expenses *re* Privy Council appeal, \$7,564.98; disbursements, \$2,377.13—\$45,942.11; McGregor Young, K.C., accountable cheques, \$11,000; fee and expenses *re* Privy Council appeal, \$4,000—\$15,000; Lawson, Armstrong & Sinclair, Toronto, \$1,075; Burns & Walker, Vancouver, \$75; Messrs. Tupper, Bull & Tupper, Vancouver, \$424.92; Messrs. Blake & Redden, London, Eng., £400, \$1,948—\$3,522.92. 3. L. Gladman, Vancouver, \$81.45; E. Smith, Vancouver, \$160.85; C. F. Battle, Vancouver, \$35.35; refund to City of Toronto *re* witnesses under Administration of Justice Act, \$95.28—\$372.93. 4. Messrs. Clarkson, Gordon & Co., Toronto, accountable cheques, \$39,000; Messrs. A. G. Newell & Co., Toronto, court reporter, copies of evidence, \$3,687.60; Messrs. N. R. Butcher & Co., Toronto, shorthand reporter, \$6.00; Messrs. Marwick, Mitchell & Co., accountants, Montreal, \$152.50; Messrs. Glazebrook & Cronyn, brokers, Toronto, \$100; E. W. Wright, barrister, Toronto, costs ordered to be paid in Privy Council appeal, \$3,873.26; Art Metropole, Toronto, photographing exhibits, \$440.46; Capital Salvage Co., Toronto, rental of truck, \$5; Messrs. Mitchell & McGill, Toronto, rental of trucks, \$80; Sheriff McCowan, York, \$150.65; Sheriff Pyne, Toronto, \$6.90; Sheriff Richardson, Carleton, \$10.20; Sheriff Johnston, Lambton, \$2.55; Sheriff M. J. A. DeCelles, Montreal, \$20.90; Sheriff Morris, Renfrew, \$19.20; Sheriff Lackner, Waterloo, \$1.80; Clerk of the Peace Irwin, Toronto, \$71.50—\$47,628.52.

Mr. Freeborn asked the following Question:—

1. Does Mr. Frank Boyes, the defeated Conservative candidate for East Middlesex at the election of June, 1923, control or have any special influence in respect of the Government patronage for that riding. 2. Have appointments to the public service been made on his recommendation. 3. If so, what appointments.

And the Premier replied as follows:—

1. All appointments are made either by the Ministers in charge of the Departments concerned, or by the Government on their recommendations, and are not otherwise controlled by anyone. The influence, special or otherwise, of any representation made to Ministers, depends upon the value of the representation from the standpoint of the public interest. 2 and 3. Answered by the reply to Question No. 1.

Mr. Ross asked the following Question:—

1. How many motor cars have been purchased by the present Government for the use of the Ministers. 2. Of what manufacture in each case, and at what price. 3. How many motor cars are now being maintained for the use of the Ministers.

And the Minister of Public Works and Highways replied as follows:—

1. None. 2. Answered by No. 1. 3. There are four cars upon which the Ministers have first call, and when not so needed are used for Departmental service.

On motion of Mr. Widdifield, seconded by Mr. Lethbridge,

Ordered, That there be laid before this House, a Return showing—1. What appointments to public positions have been made by the present Government in the riding of North Ontario. 2. Were the appointments so made, or any of them, and, if any of them, which of them, suggested or recommended by Mr. Daniel Watson Walls, the defeated Conservative candidate at the election of June, 1923.

On motion of Mr. Belanger, seconded by Mr. Proulx,

Ordered, That there be laid before this House, a Return showing—1. What is the amount or amounts paid by the Government of the Province of Ontario since the 1st of January, 1912, to date to counsel, solicitors and other parties, mentioning the names of such counsel, solicitors and other parties, with the dates of the divers payments so made, in any of the proceedings in the following litigation, *viz.*—(1) *Re Mackell vs. Board of Trustees of the Catholic Separate Schools of the City of Ottawa*; (2) Motion to commit chairman of said Board for alleged contempt of Court; (3) *Board of Trustees vs. The Quebec Bank and the Bank of Ottawa*; (4) *Board of Trustees vs. The Separate School Commission*

of Ottawa to have it declared that the Act of the Legislature of Ontario, being 5 George V, chapter 45, be declared *ultra vires*; (5) Board of Trustees *vs.* The Quebec Bank and the Corporation of the City of Ottawa; (6) Board of Trustees *vs.* Bank of Ottawa and others; (7) Board of Trustees *vs.* Quebec Bank and others; (8) Board of Trustees *vs.* Murphy and others; (9) Consolidated case, Board of Trustees *vs.* Quebec Bank and others; (10) Reference to Appellate Division of the Supreme Court of Ontario; (11) Any amount paid by way of fees to counsel or solicitors for preparation and drafting of Acts of the Legislature, and more particularly the Act of 5 George V, chapter 45, and 7 George V, chapters 59 and 60; (12) in all proceedings held before the First Division Court of the County of Carleton to garnishee moneys alleged to belong to said Board of Trustees and detained by the Corporation of the City of Ottawa; (13) generally, all sums paid by any of the Departments of the Government of this Province to counsel, solicitors, draughtsmen, agents and other parties in connection with any of the above litigations and matters.

On motion of Mr. Doherty, seconded by Mr. Raney,

Ordered, That there be laid before this House, a Return showing—1. What amount of provincial bonds has been purchased by the Government since January 1st, 1920. 2. In each purchase of bonds what was (a) the date of the purchase, (b) the date of maturity of the bonds, (c) the interest rate of the bonds, (d) the price paid for the bonds, (e) the person or firm through whom the purchase was made.

The following Bills were severally read the second time:—

Bill (No. 141), To amend the Consolidated Municipal Act, 1922.

Referred to the Municipal Committee.

Bill (No. 147), To amend the Railway Employees' and Commercial Travellers' Voting Act.

Referred to the Municipal Committee.

Bill (No. 149), To amend the Local Improvement Act.

Referred to the Municipal Committee.

Bill (No. 134), To amend the Power Commission and Companies' Transfer Act, 1924.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 152), To amend the Assessment Act.

Referred to the Municipal Committee.

The House resolved itself into a Committee to consider Bill (No. 70), To amend the Succession Duty Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the amendments be taken into consideration forthwith.

The amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 136), To amend the Public Utilities Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House then adjourned at 4.25 p.m.

Monday, March 23rd, 1925.

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Belford, the Petition of the Ladies' Aid of Stockdale Methodist Church; also, the Petition of the Tabernacle Sunday School of Murray Township; also, the Petition of Union Sunday School, Brighton; also, the Petition of Rylstone Presbyterian Sabbath School.

By Mr. Gray, the Petition of the Crosby Young People's Society; also, the Petition of the Morton Branch of the South Leeds Women's Institute.

By Mr. Homuth, the Petition of the Galt Wesley Methodist Sunday School.

By Mr. Finlayson, the Petition of the Sparrow Lake St. Paul's Union Church; also, the Petition of the Shanty Bay Methodist Church.

By Mr. Hill, the Petition of the Tweed Ladies' Adult Bible Class; also, the Petition of the Tweed Methodist Sunday School.

By Mr. Heenan, the Petition of the Union Church of Dryden.

By Mr. Doherty, the Petition of the Quarterly Official Board of the Thamesville Circuit of the Methodist Church in Canada; also, the Petition of the Thamesville Methodist Church; also, two Petitions of the Thamesville Methodist Sunday School; also, the Petition of the Turin Young People's Society.

By Mr. Raney, the Petition of the Epworth League of the Mount Forest Methodist Church; also, the Petition of the Young People's League of the Thamesville Methodist Church.

By Mr. Bradburn, the Petition of the Beresford Union School, R.R. No. 1, South Monaghan; also, of the Gilmour Memorial Baptist Church Sunday School, Peterborough; also, the Petition of the Gilmour Memorial Baptist Church, Peterborough; also, the Petition of the Ladies' Aid Society of Trinity Methodist Church, Peterborough; also, the Petition of the W.C.T.U., Peterborough; also, the Petition of the Beresford Union Sunday School (No. 2).

By Mr. Clarke (Brockville), the Petition of the Jasper Sunday School.

By Mr. Sangster, the Petition of the Picnic Grove W.C.T.U. of Lancaster; also, the Petition of the Women's Missionary Society, Knox Church, Lancaster.

By Mr. Oakley, the Petition of the Baptist Young People's Union, First Avenue Baptist Church, Toronto.

By Mr. Wigle, the Petition of the Auburn Sunday School Association.

By Mr. Jamieson (Simcoe), the Petition of a Meeting of Collingwood Citizens.

By Mr. McCallum, the Petition of the Pinkerton Farmers' Club; also, the Petition of the Maitland Presbytery.

By Mr. Clarke (Northumberland), the Petition of the Young People's Society, Presbyterian Church, Cold Springs; also, the Petition of the U.F.W. of Cobourg Road; also, the Petition of the Hulls Corners Union Sunday School, Cobourg.

By Mr. Gray, the Petition of the Morton Branch of the South Leeds Women's Institute; also, the Petition of the Young People's Society, Crosby.

By Mr. Finlayson, the Petition of the St. Paul's Union Church, Sparrow Lake; also, the Petition of the Shanty Bay Methodist Church.

By Mr. Homuth, the Petition of the Wesley Methodist Sunday School, Galt.

By Mr. Belford, the Petition of the Union Sunday School, Brighton and Cramahe; also, the Petition of the Tabernacle Sunday School, Murray Township; also, the Petition of the Tabernacle Ladies' Aid, Stockdale Methodist Church; also, the Petition of the Rylstone Presbyterian Sabbath School, Bonar Law.

By Mr. Doherty, the Petition of the Quarterly Official Board of the Thamesville Methodist Church; also, the Petition of the Thamesville Methodist Sunday School; also, the Petition of the Turin Young People's Society.

By Mr. Raney, the Petition of the Young People's League of the Thamesville Methodist Church; also, the Petition of the Mount Forest Methodist Church Epworth League.

By Mr. Heenan, the Petition of the Union Church of Dryden.

By Mr. Hill, the Petition of the Ladies' Adult Bible Class of the Tweed Methodist Church; also, the Petition of the Tweed Methodist Sunday School.

By Mr. Harcourt, the Petition of the Burks Falls St. Andrew's Presbyterian Church; also, the Petition of the Emsdale Union Church Sunday School; also, the Petition of the Emsdale L.O.L. 839; also, two Petitions of the Parry Sound Methodist Sunday School; also, the Petition of the Epworth League, Young People's Society of the Methodist Church, Parry Sound; also, the Petition of the United Farmers, No. 1199, Magnetawan; also, the Petition of the Pevensey Union Church of Canada, R.R. 1, Sundridge; also, the Petition of the Spencedale Mission Field Union Church; also, the Petition of the Congregation of Arnstein Evangelical Association; also, the Petition of the South River Union Church; also, the Petition of the Parry Sound Prohibition Union; also, the Petition of the Union Church, Chisholm; also, the Petition of the Powassan Union Church.

The following Petitions were read and received:—

Of the Victoria Harbour Methodist Church Young People's League; also, of the Missionary Society of the Coldwater Presbyterian Church; also, of the Ladies' Aid of the Coldwater Presbyterian Church; also, of the Shanty Bay Methodist Sunday School; also, of the W.C.T.U. of Orillia; also, of the Victoria Harbour Methodist Church; also, of the Newengland Sunday School; also, of the Wodehouse Farmers' Club, No. 964; also, of the Kimberley Methodist Sunday School; also, of the U.F.W.O., Maxwell; also, of the Walters Falls Methodist Church, Holland Township; also, of the Quarterly Official Board of the Heathcote Methodist Church; also, of the Young People's League, Carlton Street Methodist Church, Toronto; also, of the First Baptist Church, Tillsonburg; also, of the Norwich Council, No. 32, of the Royal Templars of Temperance, Norwich; also, of the Baptist Church, Beachville; also, of the W.C.T.U., Ingersoll; also, of the Welcome Circle, King's Daughters, Ingersoll; also, of the Oxford Religious Education Council; also, of the Beachville Home and School Club; also, of the Ingersoll Methodist Church; also, of the Burgessville Baptist Church; also, of the Salford Baptist Young People's Union; also, of the Mount Elgin Young People's League, Durham Township; also, of the Second Onondaga Baptist Sunday School Board; also, of the Young People's League of the Hope Bay Methodist Church; also, of the Baptist Church, St. George; also, of the North Ekfrid Presbyterian Church; also, of the Appin Presbyterian Church; also, of the Second Onondaga Baptist Church, Brant County; also, of the

Quarterly Official Board of Grace Methodist Church, Cobden; also, of the Quarterly Official Board of Grace Methodist Church, Arnprior; also, of the McNab Township Branch of the Ontario Prohibition Union; also, of the Pencil Methodist Sunday School; also, of the Gelert Sunday School; also, of the Epworth League of the Bexley Appointment on the Victoria Road Methodist Mission; also, of the Sunday School at Bexley Appointment on Victoria Road Methodist Mission; also, of the United Church at Carnarvon Sunday School; also, of the United Church Epworth League, Carnarvon Mission; also, of the Wall Street Methodist Sunday School, Brockville; also, of the Official Board of the Methodist Church, Durham; also, of the Western Methodist Sunday School, Ottawa; also, of the Young People's Association of Welland Avenue Methodist Church, St. Catharines; also, of the First Presbyterian Church, St. Catharines; also, of the St. Andrew's Church, Swinton Park; also, of the St. Columba Presbyterian Church, Priceville; also, of the Young People's Society of the Methodist Church, Dundalk; also, of the Methodist Sunday School of Lamlash; Treasure Seekers' Bible Class, St. James Methodist Sunday School, Peterborough; also, of the Official Board of St. George Methodist Church, Peterborough; also, of the St. James Methodist Church, Peterborough; also, of the Peterborough Prohibition Union; also, of the West Peterborough Rural Temperance Association; also, of the Salvation Army, Peterborough; also, of the Alma Presbyterian Church Members and Adherents; also, of the Presbyterian Congregation, St. John's, Belwood; also, of the W.C.T.U., Mount Forest; also, of the Uxbridge Baptist Church; also, of the Plebiscite Committee, Township of Uxbridge; also, of the Free Methodist Church, Uxbridge; also, of the Congregation of St. Andrew's Church, Quaker Hall; also, of the Goodwood Baptist Church of the Township of Uxbridge; also, of the Official Board of the United Church of Sunderland; also, of the Baptist Church of Sunderland; also, of the Women's Missionary Society, Free Methodist Church, Uxbridge; also, of the United Church of Sunderland; also, of the Montreal U.F.O., No. 643, Brechin; also, of the Baptist Church of Cannington; also, of the Uxbridge Baptist Young People's Union; also, of the Young People's Society of the Muncey Methodist Church; also, of the Presbyterian Sabbath School, Muncey; also, of the Caradoc Club, No. 375, of Longwood; also, of the Kerwood Methodist Sunday School; also, of the W.C.T.U., Mount Brydges; also, of the Baptist Church, Poplar Hill; also, of the Presbyterian Church, Newbury; also, of the Caradoc Zion Baptist Church; also, of the W.C.T.U., Glencoe; also, of the Mount Brydges Sunday School; also, of the Knox Church, Moonstone, Ladies' Aid; also, of the St. George's Anglican Church, Fairvalley; also, of the St. Luke's Anglican Church, Price's Corners; also, of the Methodist Church, Grafton; also, of the West Northumberland Prohibition Union; also, of the United Church Sunday School, Cobourg; also, of the Centreton Methodist Church; also, of the Wicklow Methodist Church; also, of the W.M.S. Methodist Church, Grafton; also, of the Wicklow Methodist Church; also, of the Zion Sunday School, Methodist Church, Seymour; also, of the Young People's League, Wicklow Methodist Church; also, of the Official Board, Baltimore Circuit, Hamilton Township; also, of the Cobourg Baptist Church; also, of the Roseneath Presbyterian Sunday School; also, of the Bethesda Y.P.S.C.E.; also, of the Bethesda Presbyterian Church, Harwood; also, of the Russell Methodist Sunday School; also, of the Young People's League, Russell Methodist Church; also, of the Prince Albert Methodist Sunday School; also, of the Kedron Methodist Church, Brooklin Circuit; also, of the Whitby Baptist Sunday School; also, of the Stalter "Y" of the W.C.T.U., Oshawa; also, of the Kinsale Methodist Sunday School; also,

of the Mount Zion Epworth League; also, of the Mount Zion Sabbath School; also, of the Quarterly Official Board, Greenwood Circuit, B. of O. Conference; also, of the Whitby Baptist Church; also, of the Albert Street Methodist Church; also, of the W.C.T.U., Whitby; also, of the W.C.T.U., Oshawa; also, of the Charlton Club, No. 732, U.F.O.; also, of the Young People's League, Methodist Church, North Street, Westminster Circuit; also, of the Presbyterian Church, Dorchester; also, of the Young People's League, Crumlin Presbyterian Church; also, of the White Oak Young People's Society; also, of the Tyneside Baptist Church; also, of the Northcote W.M.S. Presbyterian Church; also, of the Young People's Guild, Crumlin Presbyterian Church; also, of the Presbyterian Sunday School, the Presbyterian Women's Missionary Society, Dorchester Women's Institute and Presbyterian Ladies' Aid, Dorchester; also, the Petition of the Methodist Sunday School, Putnam; also, of the Methodist, Anglican and Presbyterian Congregations, Dorchester; also, of the Wilton Grove, U.F.W.O.; also, of the Methodist Church, Dorchester; also, of the Pine Grove, U.F.W.O.; also, of the Dewar Ladies' Aid; also, of the Young People's Union, Grace Methodist Church, Arnprior; also, of the Haydon Methodist Sunday School; also, of the Kendal United Sunday School; also, of the Eldad Young People's League, West Durham; also, of the Epworth League, Methodist Church, Dobbinton; also, of the Elsinore Presbyterian Church; also, of the Glenmorris Farmers' Club; also, of the Tiverton Methodist Church; also, of the Vesta Farmers' Club; also, of the Tiverton Branch, Ontario Prohibition Union; also, of the Community Welfare League of Port Elgin and Saugeen; also, of the Methodist Sunday School, Dobbinton; also, of the Allenford Methodist Church; also, of the Whitechurch Presbyterian Sunday School; also, of the Official Board, Kincardine Methodist Church; also, of the Session of Chalmers Church, Armon; also, of the Komoka W.C.T.U.; also, of the Epworth League, Komoka Methodist Church; also, of the Battle Hill U.F.W.O.; also, of the Shiloh Methodist Sunday School, Clarke Township; also, of the Shiloh Methodist Church; also, of the Delmer Methodist Sunday School; also, of the Religious Society of Friends; also, of the Foldens Baptist Sunday School; also, of the Norwich Baptist Sunday School; also, of the Y.P.U., Norwich Baptist Church; also, of the Sweaburg Methodist Church; also, of the Regular Baptist Church, Ingersoll; also, of the Young People's League, Methodist Church, Norwich; also, of the Oxford Centre Methodist Church; also, of the West Oxford Methodist Church, Ingersoll; also, of the West Oxford Methodist Sunday School; also, of the Park Street Baptist Church, Peterborough; also, of the Bethany Tabernacle Christian and Missionary Alliance; also, of the Lakefield Methodist Church, Sunday School; also, of the Young People's League, Methodist Church, Lakefield; also, of the Fairview Sunday School; also, of the Fairview Methodist Church; also, of the Gilmour Baptist Memorial Young People's Union; also, of the Session of Knox Church, Peterborough; also, of the Murray Street Baptist Church, Peterborough; also, of the Official Board, Trinity Church, Peterborough; also, of the Ravenna Church Sunday School; also, of the Methodist Sunday School, Thomasburg; also, of the Victoria Church, Loree; also, of the Carmel Epworth League, Cannifton Circuit; also, of the Carmel Sunday School, Cannifton Circuit; also, of the Cloverdale Farmers' Club, Winchester; also, of the Union Young People's Society, Morewood; also, of the Philathea Bible Class, Trinity Methodist Church, Chesterville; also, of the New Hamburg Branch, W.C.T.U.; also, of the Grace Evangelical Church, Roseville Centre; also, of the Wesley Methodist Sunday School, Galt; also, of the Methodist Church, Preston; also, of the Galt District Executive Council, Young People's League; also, of the Young People's

League, Wesley Methodist Church, Galt; also, of the Grace Methodist Church, Verona; also, of the Ladies' Aid and Women's Missionary Society, Evangelical Church; also, of the Zion Epworth League, Glenelg Township; also, of the Mennonite Brethren in Christ, Elmwood; also, of the Mennonite Brethren in Christ, Hanover; also, of the Grace Methodist Young People's League, Dunnville; also, of the South Cayuga Methodist Sunday School; also, of the Canfield Young People's League; also, of the Maple Grove Farmers' Club; also, of the Young People's League, Methodist Church, Queensville; also, of the Providence Methodist Church; also, of the Young People's League of the Wesley Methodist Church, Trenton; also, of the W.C.T.U., Belleville; also, of the Women's Missionary Society of Gilead, Methodist Church, Thurlow; also, of the Gilead Sunday School, Thurlow; also, of the Wilsonville Sunday School; also, of the Courtland Methodist Sunday School; also, of the Women's Auxiliary, Baptist Church, Barrie; also, of the Cooksville Young People's Society, Cooksville Church; also, of the Snelgrove Baptist Church; also, of the Cheltenham Baptist Church; also, of the Lorne Park Baptist Church; also, of the Brampton Methodist Church; also, of the Ebenezer Methodist Sunday School, Brampton; also, of the Harrison's Methodist Church, Grahamsville; also, of the Bethany Methodist Church; also, of the W.C.T.U., Brampton; also, of the Young People's League, Grace Methodist Church, Brampton; also, of the Bolton Methodist Sunday School; also, of the Inglewood U.F.O.; also, of the Alton Epworth League; also, of the Religious Education Council, Peel; also, of the Redwing Methodist Church; also, of the Mount Zion Methodist Sunday School; also, of the Mount Zion Methodist Church; also, of the Osprey Temperance Organization; also, of the Inglewood U.F.W.O.; praying that the Government will pass only such amendments to the Ontario Temperance Act as will strengthen its prohibitory provisions.

In the matter of the Question asked by Mr. McCallum on Friday last and the point of order raised thereon, Mr. Speaker addressed the House as follows:—

The Question standing in the name of Mr. McCallum, Member for South Bruce, on the Order Paper, has been properly answered by the Prime Minister in the manner recorded in the Votes and Proceedings.

It is obvious that the Government and the Ministers individually, in determining the fitness of anyone for public office, must rely to a great extent upon information which must be treated as confidential. The Government, in its answer to the Question of Mr. McCallum, announced the principle upon which it proceeds in the making of appointments. Any Member of the House desiring the return of correspondence leading to the appointment of any person to public office may make an ordinary motion for a return subject to the conditions above indicated.

The Government is not bound to answer any Question relating to proceedings which take place in Council.

The Order of the Day for the second reading of Bill (No. 107), To amend the Public Health Act, having been read,

Ordered, That the Order be discharged, and that the Bill be withdrawn.

The Order of the Day for the second reading of Bill (No. 108), To amend the Ontario Insurance Act, 1924, having been read,

Ordered, That the Order be discharged, and that the Bill be withdrawn.

The Order of the Day for the second reading of Bill (No. 123), To amend the Ontario Election Act, having been read,

Ordered, That the Order be discharged, and that the Bill be withdrawn.

The Order of the Day for the second reading of Bill (No. 146), To amend the Consolidated Municipal Act, 1922, having been read,

Ordered, That the Order be discharged, and that the Bill be withdrawn.

The Order of the Day for the second reading of Bill (No. 148), To amend the County Judges Act, having been read,

Ordered, That the Order be discharged, and that the Bill be withdrawn.

The following Bills were severally read the second time:—

Bill (No. 142), To amend the Consolidated Municipal Act, 1922.

Referred to the Municipal Committee.

Bill (No. 144), To amend the Marriage Act.

Referred to the Legal Committee.

Bill (No. 145), To amend the Surrogate Courts Act.

Referred to the Legal Committee.

Bill (No. 154), To repeal the Billiard Room and Bowling Alley License Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 155), To amend the Health Department Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 156), To amend the Public Libraries Act.

Referred to a Committee of the Whole House To-morrow.

The Order of the Day for resuming the Adjourned Debate on the motion that Mr. Speaker do now leave the Chair and that the House do resolve itself into the Committee of Supply, having been read,

The Debate was resumed,

And, after some time, it was, on the motion of Mr. Sinclair,

Ordered, That the Debate be adjourned until To-morrow.

The House then adjourned at 11.20 p.m.

Tuesday, March 24th, 1925.

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Nesbitt, the Petition of St. Clair Avenue Methodist Sunday School; also, the Petition of the Toronto Baptist Young People's Union; also, the Petition of the Stevens W.C.T.U.

By Mr. Berry, the Petition of the Presbyterian Sunday School, Blackheath; also, the Petition of the Young People's League, Grace Church, Caledonia.

By Mr. Mark, the Petition of the Dalrymple Sunday School.

By Mr. Sewell, the Petition of the Bealton Epworth League.

By Mr. Heenan, the Petition of the Dryden Baptist Church.

By Mr. Chambers, the Petition of the Young People's Epworth League, Burgessville Methodist Church; also, the Petition of the Ingersoll Corps of the Salvation Army; also, the Petition of the Village of Burgessville Methodist Church Sunday School.

By Mr. Trewartha, the Petition of the Congregations of Varna, Goshen and Kippen Methodist Churches; also, the Petition of the Ontario Street Methodist S.S. Executive, Clinton; also, the Petition of the Wesley Methodist Sunday School, Clinton; also, the Petition of the Children's Aid and Humane Society, Goderich; also, the Petition of the Hensall W.C.T.U.; also, the Petition of the

Hensall Ladies' Aid; also, the Petition of the Official Board, Seaforth Methodist Church; also, the Petition of the Zion Evangelical Church Bible School, Crediton; also, the Petition of the Zion Evangelical Church, Crediton; also, the Petition of Brucefield Union Church Session; also, the Petition of the Exeter Main Street Methodist Church; also, the Petition of the Bayfield Presbyterian Church; also, the Petition of the Young People's Society of Christian Endeavour, Egmondville; also, the Petition of the Goshen Methodist Church Young People's Society; also, the Petition of the Holmesville Methodist Church; also, the Petition of Carmel Presbyterian Church, Village of Hensall; also, the Petition of the U.F.O., Brucefield, No. 7; also, the Petition of the U.F.W.O. Club, Brucefield; also, the Petition of the Varna Methodist Sunday School; also, the Petition of the Thames Road Presbyterian Sunday School; also, the Petition of the Young People's League of Centralia; also, the Petition of the Union Church of Brucefield; also, the Petition of the Y.P.S. of Christian Endeavour, Union Church, Brucefield; also, the Petition of the W.M.S. of Brucefield Union Church; also, the Petition of James Street Methodist Church Sunday School; also, the Petition of the Young People's Society of the Varna Methodist Church.

By Mr. Thompson (Lanark), the Petition of the Blakeney Presbyterian Church; also, the Petition of the Clayton Presbyterian Church.

By Mr. Willson (Niagara Falls), the Petition of the Morrison Street Methodist Ladies' Aid Society, Niagara Falls.

By Mr. Bradburn, the Petition of the Young People's League of Bridgewood Methodist Church; also, the Petition of the Addison Methodist Sunday School.

By Mr. Ross, the Petition of the Innerkip Knox Presbyterian Church; also, the Petition of the Hickson Young People's League.

By Mr. Fisher, the Petition of the Fourth Avenue Baptist Sunday School, Ottawa; also, the Petition of the Western Methodist Sunday School, Ottawa; also, the Petition of the Gordon Young Women's Christian Temperance Union; also, the Petition of McPhail Memorial Baptist Young People's Union of Ottawa; also, the Petition of the Tuxis Boys' City Council of Ottawa; also, the Petition of the Ottawa Baptist Ministerial Association; also, the Petition of the Welcome Zion Congregational Church, Fourth Avenue, Ottawa.

By Mr. Tellier, the Petition of the Malden Circuit Zion Church; also, the Petition of the Malden Circuit Zion Methodist Sunday School.

By Mr. Belanger, the Petition of the Rockland Baptist Church; also, the Petition of the Clarence Baptist Sunday School.

By Mr. Sangster, the Petition of the Beulah W.M.S., Lancaster.

By Mr. Mewhinney, the Petition of the Lakeside U.F.O. Club, Kincardine.

By Mr. Kemp, the Petition of the Rock Chapel Sunday School.

By Mr. Raney, the Petition of the North Erin Farmers' Club, No. 268.

By Mr. Joynt, the Petition of the Auburn Baptist Sunday School; also, the Petition of the Wingham Branch of the Huron County Council of Social Service; also, the Petition of the Bethany Methodist Sunday School, Salem Circuit; also, the Petition of the Bethany Methodist Church of Salem, Wingham District; also, the Petition of the Session of Eadies Presbyterian Church; also, the Petition of the Newbridge Methodist Sunday School; also, the Petition of the McIntosh Presbyterian Church; also, the Petition of Knox Church, Belmore; also, the Petition of the Auburn Sunday School Association.

By Mr. Jamieson (Grey), the Petition of the Varney U.F.O.; also, the Petition of the Crawford Sunday School; also, the Petition of the Crawford Missionary Society; also, the Petition of the Crawford Presbyterian Church; also, the Petition of the Young People's League, Durham Methodist Church; also, the Petition of the Allan Park U.F.O. Club, No. 1335.

By Mr. Taylor, the Petition of the W.C.T.U., Owen Sound; also, the Petition of the Owen Sound Branch of the Ontario Temperance Union; also, the Petition of the Presbytery of Owen Sound; also, the Petition of the Daywood and Leith Baptist Church; also, the Petition of the W.C.T.U., Owen Sound; also, the Petition of the Young People's League of Douglas Mission, Owen Sound; also, the Petition of the United Church of Canada, Keady; also, the Petition of the First Methodist Church, Owen Sound; also, the First Methodist Sunday School Council; also, the Petition of the Douglas Street Mission S.S. of First Methodist Church, Owen Sound; also, the Petition of Douglas Street Mission Young People's League of First Methodist Church; also, the Petition of the Adelphian Taxis Square of Union Church, Owen Sound; also, the Petition of the United Young People's Society of Owen Sound, North; also, the Petition of the Quarterly Official Board of the Woodford Methodist Church; also, the Petition of the Bothwell Corners U.F.O. Club; also, the Petition of the Bothwell Corners U.F.W.O. Club, No. 578a.

By Mr. Wigle, the Petition of the Leeburn Union Church Congregation.

By Mr. Fallis, the Petition of the United Church of Canada, Port Hope; also, the Petition of the Morrish Sunday School; also, the Petition of the Carmel Sunday School.

The following Bills were severally introduced and read the first time:—

Bill (No. 96), intituled "An Act to make further provision for Northern and Northwestern Ontario Development." *Mr. Lyons.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 158), intituled "An Act to amend the Consolidated Municipal Act, 1922." *Mr. Belanger.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 159), intituled "An Act to provide for Government Control and Sale of Liquor." *Mr. Currie.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 160), intituled "An Act to amend the House of Refuge Act."
Mr. Mageau.

Ordered, That the Bill be read the second time To-morrow.

The Order of the Day for resuming the Adjourned Debate on the motion that Mr. Speaker do now leave the Chair and that the House do resolve itself into the Committee of Supply, having been read,

The Debate was resumed,

And, after some time,

The amendment, having been put, was lost upon the following division:—

YEAS

Belanger.	Fisher.	Mewhinney.	Sinclair.
Bragg.	Freeborn.	Nixon.	Taylor.
Carmichael.	Kemp.	Proulx.	Tellier.
Clarke.	Lang.	Raney.	Wallis.
(Northumberland)	Lethbridge.	Ross.	Widdifield—25.
Doherty.	McCallum.	Sangster.	
Fenton.	Mageau.	Sewell.	

NAYS

Acres.	Garden.	Keith.	Owens.
Armstrong.	Godfrey.	Kennedy.	Patterson.
Belford.	Goldie.	(Peel)	Price.
Berry.	Gray.	Kennedy.	Rankin.
Black.	Graves.	(Temiskaming)	Rowe.
Bradburn.	Hambly.	Lewis.	Spence.
Callan.	Haney.	Lyons.	Stedman.
Carr.	Harcourt.	McBrien.	Stuart.
Chambers.	Heenan.	McCausland.	Thompson.
(Oxford)	Henry.	McCrea.	(Lanark)
Chambers.	Hill.	McKeown.	Trewartha.
(Wellington)	Hillmer.	McKnight.	Vaughan.
Clarke.	Homuth.	MacDiarmid.	Weichel.
(Brockville)	Ireland.	Mahony.	Wigle.
Cooke.	Irvine.	Mark.	Wilson.
Currie.	Jamieson.	Martin.	(Windsor)
Ecclestone.	(Grey)	Milligan.	Willson.
Edwards.	Jamieson.	Monteith.	(Niagara Falls)
Elliott.	(Simcoe)	Nesbitt.	Wright—75.
Fallis.	Johnston.	Nickle.	
Ferguson.	Joynt.	Oakley.	
Finlayson.	Keefer.	Oke.	

PAIRS

Sweet.....Carty

The main Motion having been then again put was carried on the following division:—

YEAS

Acres.	Finlayson.	Keefer.	Oke.
Armstrong.	Garden.	Keith.	Owens.
Belford.	Godfrey.	Kennedy.	Patterson.
Berry.	Goldie.	(Peel)	Price.
Black.	Gray.	Kennedy.	Rankin.
Bradburn.	Graves.	(Temiskaming)	Rowe.
Callan.	Hambly.	Lewis.	Spence.
Carr.	Haney.	Lyons.	Stedman.
Chambers.	Harcourt.	McBrien.	Stuart.
(Oxford)	Heenan.	McCausland.	Thompson.
Chambers.	Henry.	McCrea.	(Lanark)
(Wellington)	Hill.	McKeown.	Trewartha.
Clarke.	Hillmer.	McKnight.	Vaughan.
(Brockville)	Homuth.	MacDiarmid.	Weichel.
Cooke.	Ireland.	Mahony.	Wigle.
Currie.	Irvine.	Mark.	Wilson.
Ecclestone.	Jamieson.	Martin.	(Windsor)
Edwards.	(Grey)	Milligan.	Willson.
Elliott.	Jamieson.	Monteith.	(Niagara Falls)
Fallis.	(Simcoe)	Nesbitt.	Wright—75.
Ferguson.	Johnston.	Nickle.	
	Joynt.	Oakley.	

NAYS

Belanger.	Fisher.	Mewhinney.	Sinclair.
Bragg.	Freeborn.	Nixon.	Taylor.
Carmichael.	Kemp.	Proulx.	Tellier.
Clarke.	Lang.	Raney.	Wallis.
(Northumberland)	Lethbridge.	Ross.	Widdifield—25.
Doherty.	McCallum.	Sangster.	
Fenton.	Mageau.	Sewell.	

PAIRS

Sweet.....Carty

And the House accordingly resolved itself into the Committee.

(In the Committee.)

Resolved, That there be granted to His Majesty, for the services of 1925, the following sums:—

To defray the expenses of the Prime Minister's Department. . \$5,000 00

To defray the expenses of the Legislation..... 2,900 00

To defray the expenses of the Attorney-General's Department (Administration of Justice)..... \$40,448 13

To defray the expenses of the Department of Insurance.... 8,162 60

To defray the expenses of the Education Department..... 89,830 00

To defray the expenses of the Lands and Forests Department. 5,000 00

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had come to several Resolutions; also, That the Committee had directed him to ask for leave to sit again.

Ordered, That the Report be received To-morrow.

Resolved, That the Committee have leave to sit again To-morrow.

The following Bills were severally read the second time:—

Bill (No. 151), To provide for imposing a Tax on the Purchasers of Gasoline.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 150), To impose a charge for Fire Prevention purposes.

Referred to a Committee of the Whole House To-morrow.

The House resolved itself into a Committee to consider Bill (No. 154), To repeal the Billiard Room and Bowling Alley License Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Black reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 155), To amend the Health Department Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Black reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House, according to Order, again resolved itself into the Committee of Supply.

(In the Committee.)

Resolved, That there be granted to His Majesty, for the services of 1925, the following sums:—

To defray the expenses of the Mines Department.....	\$21,000 00
To defray the expenses of the Game and Fisheries Department.....	48,575 00
To defray the expenses of the Department of Public Highways.....	6,000 00
To defray the expenses of the Department of Health.....	13,200 00
To defray the expenses of the Department of Labour.....	5,800 00
To defray the expenses of the Provincial Treasurer's Department.....	75,700 00
To defray the expenses of the Provincial Auditor's Office..	24,500 00
To defray the expenses of the Provincial Secretary's Department.....	286,698 56
To defray the expenses of the Agriculture Department....	26,499 13

Mr. Speaker resumed the Chair; and Mr. Black reported, That the Committee had come to several Resolutions; also, That the Committee had directed him to ask for leave to sit again.

Ordered, That the Report be received To-morrow.

Resolved, That the Committee have leave to sit again To-morrow.

The House then adjourned at 11.20 p.m.

Wednesday, March 25th, 1925.

PRAYERS.

3 O'CLOCK P.M.

Mr. Speaker informed the House,—

That the Clerk had received from the Railway and Municipal Board, their Report in the following case:—

Bill (No. 57), An Act respecting the Town of Whitby.

The Report was then read by the Clerk at the Table, as follows:—

To the Honourable, the Legislative Assembly of the Province of Ontario.

Upon the reference under Rule 61a of your Honourable House to The Ontario Railway and Municipal Board of Bill No. 57 (1925), entitled "An Act respecting the Town of Whitby," the Board begs leave respectfully to report that in the judgment of the Board it is reasonable that such Bill should be passed by your Honourable House, as amended.

The largest proportion of the Floating Debt of \$35,000 referred to in the Bill is for works of a permanent nature, and the balance is for expenditure which in the ordinary course should have been paid out of taxes. For this reason the Board is of opinion that the debentures should be made payable in not more than fifteen years from the date of issue.

In the opinion of the Board the authority asked for the assumption by the Corporation of the special rates, assessed under The Local Improvement Act, to meet the owners' share of the cost of certain sidewalks for which debentures have been issued, should not be granted.

All of which is respectfully submitted.

D. M. McINTYRE,
Chairman.

A. B. INGRAM,
Vice-Chairman.

J. A. ELLIS,
Commissioner.

Dated at Toronto,
this 24th day of March, A.D. 1925.

Ordered, That Bill (No. 57), An Act respecting the Town of Whitby, be referred to the Committee on Private Bills with instructions to consider the same with regard to the suggestions of the Railway and Municipal Board thereon.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Biggs, the Petition of the Wentworth County Prohibition Union; also, the Petition of the Quarterly Official Board of the Dundas Methodist Church; also, the Petition of the Methodist Church Congregation; also, the Petition of the Waterdown Methodist Sunday School; also, the Petition of the Jerseyville Methodist Church Sunday School.

By Mr. Black, the Petition of the Arden Mission, Bay of Quinte Conference of the Methodist Church.

By Mr. Belford, the Petition of the Young People's League, Smithfield Methodist Church.

By Mr. Rowe, the Petition of the Young People's Society of the Tottenham Methodist Church; also, the Petition of the Bond Head Methodist Sunday School; also, the Petition of the Lake Simcoe Farmers' Club; also, the Petition of the Presbyterian Church, Churchill; also, the Petition of the Big Bay Point Sunday School; also, the Petition of the Everett Methodist Sunday School.

By Mr. Oke, the Petition of the Forest Methodist Church Young People's League; also, the Petition of the Huron U.F.O. Club, No. 190, Camlachie; also, the Petition of the Croton Methodist Church Sunday School; also, the Petition of Bethel Methodist Church; also, the Petition of Bethel Methodist Sunday School; also, the Petition of Bethel Young People's Society, Methodist Church, Warwick Circuit; also, the Petition of the W.C.T.U., Alvinston; also, the Petition of the Official Board of the Dresden Methodist Church; also, the Petition of the W.C.T.U., Dresden; also, the Petition of the W.C.T.U., Petrolia; also, the Petition of Florence Methodist Sabbath School; also, the Petition of Cameron United Farmers' Club, No. 616.

By Mr. Bragg, the Petition of the Kendal United Church, Christian Endeavour and League; also, the Petition of the Young People's League of the Union Church, Blackstock.

By Mr. Lethbridge, the Petition of the Melrose Methodist Sunday School, Middlesex; also, the Petition of the Young People's Guild, Knox Church, Newbury; also, the Petition of the Young People's League, Mount Brydges Methodist Church.

By Mr. Fenton, the Petition of the Park Head U.F.W.O. Club.

By Mr. Vaughan, the Petition of the Young People's League of Thorold Methodist Church; also, the Petition of the Fenwick Methodist Sunday School; also, the Petition of the Decew Falls Sunday School, Fonthill; also, the Petition of the Beaverdams Sabbath School; also, the Petition of the Mount Vernon Methodist Church Ladies' Aid.

By Mr. Proulx, the Petition of the U.F.O. Club of Kipling; also, the Petition of the Hotham Branch of Women's Institute; also, the Petition of the Scandinavian Baptist Church, Kipling; also, the Petition of the Officers and Teachers of the North Bay Methodist Church Sabbath School.

The following Petitions were read and received:—

Of the Union Church of Powassan; also, of the Union Church, Chisholm; also, of the Parry Sound Prohibition Union; also, of the Union Church, South River; also, of the Arnstein Evangelical Association; also, of the Sprucedale Mission Field Union Church; also, of the Pevensey Union Church of Canada, Sundridge; also, of the United Farmers, No. 1199, Magnetawan; also, of the Epworth League, Parry Sound Methodist Church; also, of the St. Andrew's Presbyterian Church, Burks Falls; also, of the Union Church Sunday School, Emsdale; also, of the L.O.L., No. 839, Emsdale; also, of the Bensfort Union Sabbath School; also, of the Tweed Methodist Sunday School; also, of the Ladies' Bible Class, Tweed Methodist Church; also, of the Union Church of Dryden; also, of the Epworth League, Mount Forest Methodist Church; also, of the Young People's League, Methodist Church, Thamesville; also, of the Turin Young People's Society; also, of the Thamesville Methodist Sunday School; also, of the Ladies' Aid Society, Peterborough Methodist Church; also, of the W.C.T.U., Peterborough; also, of the Union Sunday School, Brighton and Cramahe; also, of the Tabernacle Sunday School, Frankford, Murray Township; also, of the Tabernacle Ladies' Aid, Stockdale Methodist Church; also, of the Rylstone Presbyterian Sunday School, Bonar Law; also, of the Wesley Methodist Sunday School, Galt; also, of the St. Paul's Union Church, Sparrow Lake; also, of the Shanty Bay Methodist Church; also, of the Young People's Society, Crosby; also, of the Morton Branch, South Leeds Women's Institute; also, of the Hulls Corners Union Sunday School, Cobourg; also, of the United Farm Women of Cobourg Road; also, of the Young People's Society of the Presbyterian Church, Cold Springs; also, of the Maitland Presbytery; also, of the Pinkerton Farmers' Club; also, of a Meeting of Collingwood Citizens; also, of the Auburn Sunday School Association; also, of the Baptist Young People's Union, First Avenue Baptist Church, Toronto; also, of the Gilmour Memorial Baptist Church, Peterborough; also, of the Gilmour Memorial Baptist Church Sunday School, Peterborough; also, of the Women's Missionary Society, Knox Church, Lancaster; also, of the Picnic Grove Women's Christian Temperance Union, Lancaster; also, of the Jasper Sunday School; praying that the Government will pass only such amendments to the Ontario Temperance Act as will strengthen its prohibitory provisions.

Mr. Nickle from the Standing Committee on Private Bills, presented their Fifth Report which was read as follows and adopted:

Your Committee beg to report the following Bills without amendment:—

Bill (No. 11), An Act respecting the City of Brantford.

Bill (No. 31), An Act to confirm Family Arrangement in respect of the Estate of Thomas Nihan, deceased.

Your Committee beg to report the following Bills with certain amendments:

Bill (No. 6), An Act to amend the Ontario Lutheran Church Act, 1923.

Bill (No. 13), An Act to consolidate the floating debt of the Town of Gravenhurst.

Bill (No. 19), An Act respecting the Village of Forest Hill.

Bill (No. 33), An Act respecting the Town of Sturgeon Falls.

Bill (No. 34), An Act respecting the City of London.

Bill (No. 40), An Act respecting the Municipality of Shuniah.

Your Committee recommend that the fees less the actual cost of printing be remitted on Bill (No. 6), "An Act to amend The Ontario Lutheran Church Act, 1923," on the ground that it is one relating to a religious institution.

Your Committee also recommend that notwithstanding Rule 51 of your Honourable House, the time for receiving Reports of Committees on Private Bills be extended to and inclusive of Friday the third day of April next.

Ordered, That the fees less the actual cost of printing be remitted on Bill (No. 6), An Act to amend The Ontario Lutheran Church Act, 1923.

Ordered, That the time for receiving Reports of Committees on Private Bills be extended until and inclusive of Friday the third day of April next.

Mr. Heenan moved, seconded by Mr. Callan,

That whereas a serious condition of unemployment prevails in the Province of Ontario causing grave anxiety for the municipal authorities; and whereas many thousands of the citizens of this Province are living in an undernourished condition by reason of this unemployment; and whereas there are upwards of 30,000 such persons in the City of Toronto; 12,000 in the City of Hamilton; many families being cared for in London, etc.; and whereas many families are living in dread of eviction because of the inability to pay rent; and whereas, the conditions are on the increase rather than diminishing, causing the distress and woe of the people to become more and more acute. Therefore be it resolved

—That in the opinion of this House immediate urgent measures should be taken by the Government of this Province to completely meet the urgent need of these distressful conditions.

And a Debate having arisen, the motion was, by leave of the House, withdrawn.

The House then adjourned at 6.20 p.m.

Thursday, March 26th, 1925.

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Sweet, the Petition of the Winchester Women's Institute; also, the Petition of the Williamsburg Branch of the Women's Institute; also, the Petition of the Winchester Methodist Sunday School; also, the Petition of the Women's Christian Temperance Union of Dundas; also, the Petition of the Women's Missionary Society of St. Andrew's Presbyterian Church, Williamsburg; also, the Petition of the Trinity Methodist Sunday School, Chesterville; also, the Petition of the Women's Christian Temperance Union of Winchester.

By Mr. Stedman, the Petition of the Methodist Sunday School of Maberly; also, the Petition of the Smiths Falls Temperance Committee.

By Mr. Joynt, the Petition of the Auburn Sunday School Association.

By Mr. Patterson, the Petition of the Manilla Baptist Church.

By Mr. Lethbridge, the Petition of the Melbourne and District Farmers' Club.

By Mr. Hillmer, the Petition of the Palermo Methodist Church; also, the Petition of the Trafalgar Methodist Circuit; also, the Petition of the Appleby Methodist Church; also, the Petition of the Nelson Community League; also, the Petition of the Appleby Community League; also, the Petition of the Wesley

Sunday School, Snyder's Corners, Oakville; also, the Petition of the W.C.T.U., Milton; also, the Petition of the Zimmerman Methodist Church; also, the Petition of the Zimmerman Methodist Sunday School; also, the Petition of the Nelson Methodist Sunday School; also, the Petition of the Alert Adult Bible Class, Oakville; also, the Petition of the Oakville Methodist Sunday School; also, the Petition of the Georgetown Methodist Sunday School; also, the Petition of the Munn's Sunday School of Trafalgar Township; also, the Petition of the Golden Rule Council, No. 60, R. T. of T., Oakville; also, the Petition of the Milton Methodist Church; also, the Petition of the Methodist Sabbath School of Crewson's Corners; also, the Petition of the W.C.T.U., Oakville; also, the Petition of the Boston Mission Circle.

By Mr. Tellier, the Petition of the South Woodslee Baptist Church.

By Mr. Kennedy (Peel), the Petition of the Ashgrove U.F. and U.F.W.O. Club, No. 244a and No. 153b; also, the Petition of the Ashgrove Sunday School Members; also, the Petition of the Methodist Church, Grahamville; also, the Petition of the Palestine Methodist Church.

By Mr. Trewartha, the Petition of the Baptist Young People's Union of Goderich; also, the Petition of the Thames Road Presbyterian Church; also, the Petition of the Carmel Church Sunday School; also, the Petition of the Women's Missionary Society of Carmel Church, Hensal.

By Mr. Sewell, the Petition of the Old Windham Epworth League; also, the Petition of the Courtland Baptist Young People's Union; also, the Petition of the Epworth League of Courtland Methodist Church; also, the Petition of the South Middleton Church and Sunday School.

By Mr. Hill, the Petition of the Deseronto Council, No. 289, Royal Templars of Temperance.

By Mr. Colliver, the Petition of the East Lake United Farm Women's Club and United Farmers; also, the Petition of the Cherry Valley Women's Institute; also, the Petition of the Cherry Valley Epworth League; also, the Petition of the Young People's League of West Lake Methodist Church; also, the Petition of the Young People's Society, Hillier; also, the Petition of the Hillier Sunday School; also, the Petition of the Demorestville Methodist Sunday School; also, the Petition of the Woodville Appointment of the Northport Circuit of the Methodist Church; also, the Petition of the Bongards Church and Sabbath School, Cressy Circuit; also, the Petition of Mount Pleasant Sunday School of Hallowell Township; also, the Petition of the Cherry Valley Young People's Society.

By Mr. Fenton, the Petition of the U.F.O. Club, Colpoys Bay; also, the Petition of the Pike Bay Methodist Church; also, the Petition of the Young People's League of Mount Hope.

By Mr. Mark, the Petition of the L.O.L., No. 1281; also, the Petition of the United Church Congregation.

By Mr. Kemp, the Petition of the Gainsboro and Smithville, Ontario, Religious Educational Council.

By Mr. Carty, the Petition of the Northcote Farmers' Club, No. 239.

By Mr. Widdifield, the Petition of the Young People's Guild, Quaker Hill; also, the Petition of the Omricon Kappa, Tuxis Square, Quaker Hill; also, the Petition of the Uxbridge Methodist Sunday School; also, the Petition of the Epsom Sunday School; also, the Petition of St. Andrew's Presbyterian Sunday School, Quaker Hill.

By Mr. Mewhinney, the Petition of the South Kinloss Club, No. 840.

By Mr. Jamieson (West Simcoe), the Petition of the First Methodist Church, Collingwood; also, the Petition of the Second Methodist Church, Collingwood.

By Mr. Nixon, the Petition of the Burford Circuit Methodist Churches; also, the Petition of the Cathcart Methodist Sunday School; also, the Petition of the St. George Baptist Sunday School; also, the Petition of the Women's Missionary Society of Branchton Presbyterian Church; also, the Petition of the Maple Leaf U.F.W.O. Club of Middleport; also, the Petition of the Presbyterian Sabbath School of Branchton; also, the Petition of the Branchton Presbyterian Church.

By Mr. Belford, the Petition of the Young People's Society of St. Andrew's Presbyterian Church, Brighton; also, the Petition of St. Andrew's Presbyterian Church, Brighton.

By Mr. Sweet, the Petition of the Ormond Baptist Church; also, the Petition of the South Mountain Methodist Circuit; also, the Petition of the Morewood Methodist Church; also, the Petition of the Citizens of Morewood and vicinity.

By Mr. Doherty, the Petition of the Cedar Springs Methodist Sunday School; also, the Petition of the Rushtons Corners U.F.W.O. Club; also, the Petition of the Bothwell Baptist Church; also, the Petition of the Blenheim Auxiliary of the Women's Missionary Society of the Methodist Church; also, the Petition of the Tiny Epworth League; also, the Petition of the Carneen Methodist School, New Scotland.

The following Petitions were read and received:—

Of the Newtonville Branch U.F.O., No. 470; also, of the Welcome Methodist Church Sunday School; also, of the Fleetwood Methodist Sunday School; also, of the Bothwell's Corners Club U.F.W.O., No. 578a; also, of the Bothwell's Corners U.F.O. Club; also, of the Quarterly Official Board of the Woodford Methodist C. L.; also, of the Adelphian Tuxis Square of Union Church, Owen Sound; also, of the United Y.P.S. of Owen Sound, North; also, of the Douglas Street Mission S.S. of First Methodist Church, Owen Sound; also, of the Douglas Street Mission Y.P.S., First Methodist Church, Owen Sound; also, of the First Methodist Sunday School Council; also, of the Blackheath Presbyterian Sunday School; also, of the Young People's League of Grace Church, Caledonia; also,

of the Ready United Church of Canada; also, of the Young People's League of Douglas Street Mission, Owen Sound; also, of the W.C.T.U., Owen Sound; also, of the Daywood and Leith Baptist Church; also, of the Presbytery of Owen Sound; also, of the Owen Sound Branch, Ontario Temperance Union; also, of the Allan Park U.F.O. Club; also, of the Crawford Presbyterian Church; also, of the Crawford Missionary Society; also, of the Crawford Sunday School; also, of the Varney U.F.O.; also, of the Auburn Sunday School Association; also, of the Belmore Knox Church; also, of the McIntosh Presbyterian Church Congregation; also, of the Newbridge Methodist Sunday School; also, of the Session of Eadies Presbyterian Church; also, of the Bethany Methodist Church of Salem; also, of the Bethany Methodist Church Sunday School, Salem; also, of the Huron County Social Service Council; also, of the Auburn Baptist Sunday School; also, of the North Erin Farmers' Club, No. 268; also, of the Rock Chapel Sunday School; also, of the Lakeside U.F.O. Club, Kincardine; also, of the Beulah W.M.S., Lancaster; also, of the Baptist Sunday School, Clarence; also, of the Rockland Baptist Church; also, of the Zion Methodist Sunday School, Malden Circuit; also, of the Zion Church, Malden Circuit; also, of the Welcome Zion Congregational Church, Fourth Avenue, Ottawa; also, of the McPhail Memorial Baptist Y.P.U. of Ottawa; also, of the Gordon Y.W.C.T. Union; also, of the Western Methodist Sunday School, Ottawa; also, of the Fourth Avenue Baptist Sunday School, Ottawa; also, of the Hickson Young People's League; also, of the Knox Presbyterian Church, Innerkip; also, of the Addison Methodist Sunday School; also, of the Y.P.L. of Bridgeworth Methodist Church; also, of the Morrison Street Methodist Ladies' Aid Society, Niagara Falls; also, of the Presbyterian Church, Clayton; also, of the Presbyterian Church, Blakeney; also, of the Y.P.S. of Varna Methodist Church; also, of the James Street Methodist Sunday School; also, of the W.M.S. of Union Church, Brucefield; also, of the Y.P.S. of Christian Endeavour, Union Church, Brucefield; also, of the Union Church of Brucefield; also, of the Young People's League of Centralia; also, of the Thames Road Presbyterian Sunday School; also, of the Varna Methodist Sunday School; also, of the U.F.W.O., Brucefield; also, of the U.F.O., Brucefield, No. 7; also, of the Carmel Presbyterian Church of Hensall; also, of the Holmesville Methodist Church; also, of the Y.P.S., Goshen Methodist Church; also, of the Y.P.S. of Christian Endeavour, Egmondville Presbyterian Church; also, of the Presbyterian Church, Bayfield; also, of the Main Street Methodist Church, Exeter; also, of the Session of Brucefield Union Church; also, of the Zion Evangelical Church, Crediton; also, of the Bible School, Zion Evangelical Church, Crediton; also, of the Official Board, Seaforth Methodist Church; also, of the Hensall Methodist Ladies' Aid; also, of the Hensall W.C.T.U.; also, of the Children's Aid and Humane Society, Goderich; also, of the Wesley Methodist Sunday School, Clinton; also, of the Ontario Street Methodist Sunday School, Clinton; also, of the Varna, Goshen and Kippen Methodist Churches; also, of the Burgessville Methodist Church Sunday School; also, of the Ingersoll Corps, Salvation Army; also, of the Young People's Epworth League, Burgessville Methodist Church; also, of the Dryden Baptist Church; also, of the Bealton Epworth League; also, of the Dalrymple Sunday School; also, of the Y.P.L., Durham Methodist Church; also, of the Ottawa Baptist Ministerial Association; also, of the Tuxis Boys City Council of Ottawa; also, of the Leeburn Union Church; also, of the United Church of Canada, Port Hope; also, of the Morrish Sunday School; also, of the Carmel Sunday School; also, of the Baptist Young People's Union; also, of the Stevens W.C.T.U.; also, of the St. Clair Avenue Methodist Sunday School.

The following Bills were severally introduced and read the first time:—

Bill (No. 161), intituled "An Act to confirm an Agreement between the Hydro-Electric Power Commission of Ontario, the City of Toronto and the Toronto Harbour Commissioners." *Mr. Cooke.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 162), intituled "An Act respecting Representation of the People in the Legislative Assembly." *Mr. Henry.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 163), intituled "An Act to amend the Workmen's Compensation Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

On motion of Mr. Proutx, seconded by Mr. Fisher,

Ordered, That Rule 63, relating to the reference to the Commissioners of Estate Bills, be suspended and that Bill (No. 35), Respecting the Town of Hawkesbury, which was referred to said Commissioners and reported adversely, be referred to the Committee on Private Bills for consideration and report, irrespective of the said Report from the Commissioners of Estate Bills.

The Order of the Day for the second reading of Bill (No. 153), The Ontario Temperance Amendment Act, 1925, having been read, Mr. Nickle moved,

That the Bill be now read the second time.

Mr. Raney moved in amendment, seconded by Mr. Doherty,

That all the words of the motion after the word "That" be stricken out and the following words be substituted therefor: "the Bill be referred to a Select Committee of the House, to be named by the Prime Minister, with instructions to enquire and report whether a liquor containing 2.5 *per cent.* alcohol by volume, is an intoxicating liquor,"

And a Debate having ensued,

And the House having continued to sit until twelve of the clock midnight,

Friday, 27th March, 1925.

The Debate continued.

And after some time the amendment, having been put, was lost on the following division:—

YEAS.

Bragg.	Fisher.	Nixon.	Sinclair.
Carmichael.	Freeborn.	Oke.	Taylor.
Clarke.	Kemp.	Raney.	Widdifield—20.
(Northumberland)	Lethbridge.	Ross.	
Doherty.	McCallum.	Sangster.	
Fenton.	Mewhinney.	Sewell.	

NAYS.

Acres.	Finlayson.	Keith.	Patterson.
Belford.	Godfrey.	Kennedy.	Pinard.
Berry.	Goldie.	(Peel)	Price.
Black.	Gray.	Kennedy.	Proulx.
Bradburn.	Graves.	(Temiskaming)	Rankin.
Callan.	Hambly.	Lewis.	Rowe.
Carr.	Haney.	Lyons.	Spence.
Chambers.	Harcourt.	McBrien.	Stedman.
(Oxford)	Heenan.	McCausland.	Stuart.
Chambers.	Henry.	McCrea.	Sweet.
(Wellington)	Hill.	McKeown.	Tellier.
Clarke.	Hillmer.	McKnight.	Trewartha.
(Brockville)	Ireland.	Mageau.	Vaughan.
Colliver.	Irvine.	Mahony.	Weichel.
Cooke.	Jamieson.	Mark.	Wigle.
Currie.	(Grey)	Martin.	Wilson.
Ecclestonie.	Jamieson.	Monteith.	(Windsor)
Edwards.	(Simcoe)	Morel.	Willson.
Elliott.	Johnston.	Nesbitt.	(Niagara Falls)
Fallis.	Joynt.	Nickle.	Wright—74.
Ferguson.	Keefer.	Oakley.	

PAIRS.

Thompson (Lanark).....	Biggs.
Armstrong.....	Carty.
Garden.....	Bowman.

The Motion for the second reading, having been then again put, was carried on the following division:—

YEAS.

Berry.	Godfrey.	Keith.	Oakley.
Black.	Goldie.	Kennedy.	Pinard.
Bradburn.	Gray.	(Peel)	Price.
Callan.	Graves.	Kennedy.	Proulx.
Carr.	Hambly.	(Temiskaming)	Rankin.
Chambers.	Haney.	Lewis.	Rowe.
(Oxford)	Harcourt.	Lyons.	Spence.
Chambers.	Heenan.	McBrien.	Stedman.
(Wellington)	Henry.	McCausland.	Stuart.
Clarke.	Hill.	McCrea.	Tellier.
(Brockville)	Hillmer.	McKeown.	Trewartha.
Colliver.	Ireland.	McKnight.	Vaughan.
Cooke.	Irvine.	Mageau.	Weichel.
Currie.	Jamieson.	Mahony.	Wigle.
Ecclestone.	(Grey)	Mark.	Wilson.
Edwards.	Jamieson.	Martin.	(Windsor)
Elliott.	(Simcoe)	Monteith.	Willson.
Fallis.	Johnston.	Morel.	(Niagara Falls)
Ferguson.	Joynt.	Nesbitt.	Wright—70.
Finlayson.	Keefer.	Nickle.	

NAYS.

Acres.	Fenton.	Nixon.	Sinclair.
Belford.	Fisher.	Oke.	Sweet.
Bragg.	Freeborn.	Patterson.	Taylor.
Carmichael.	Kemp.	Raney.	Widdifield—24.
Clarke.	Lethbridge.	Ross.	
(Northumberland)	McCallum.	Sangster.	
Doherty.	Mewhinney.	Sewell.	

PAIRS.

Thompson (Lanark).....	Biggs
Armstrong.....	Carty.
Garden.....	Bowman.

And the Bill was then read the second time and referred to a Committee of the Whole House at the next sittings of the House To-day.

The House then adjourned at 2.10 a.m.

Friday, March 27th, 1925.

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Bowman, the Petition of the United Church, Gore Bay; also, the Petition of the United Church of Silver Water; also, the Petition of the Wilton Grove U.F.U.O.; also, the Petition of the Silver Water St. Andrew's Sabbath School; also, the Petition of the Ladies' Aid and Women's Missionary Society of St. Andrew's Presbyterian Church, Silver Water; also, two Petitions of the Local Plebiscite Committee, Manitowaning; also, the Petition of the Spring Bay Salem Mennonite Sunday School; also, the Petition of the Tehkummah Sabbath School; also, the Petition of the Barrie Island Church Congregation; also, the Petition of the Members and Adherents of the Poplar Township Church; also, the Petition of the Congregation of Gordon Church of the Manitoulin Island; also, the Petition of the Billings Congregation of the United Church in Canada.

By Mr. Sangster, the Petition of the Reformed Presbyterian Church, Lochiel; also, the Petition of the St. Andrew's Women's Missionary Society of Lancaster; also, the Petition of the Glen Gordon U.F.O., Lancaster.

The following Petitions were read and received:—

Of the Ladies' Aid, Mount Vernon Methodist Church; also, of the Beaverdams Sabbath School; also, of the Decew Falls Sunday School, Fonthill; also, of the Fenwick Methodist Sunday School; also, of the Y.P.L. of Thorold Methodist Church; also, of the Park Head U.F.W.O. Club; also, of the Young People's League of Mount Brydges Methodist Church; also, of the Knox Church Young People's Guild, Newbury; also, of the Melrose Methodist Sunday School, Middlesex; also, of the Young People's League, Union Church, Blackstock; also, of the Kendal United Church, Christian Endeavour and League; also, of the Cameron United Farmers Club, No. 616; also, of the Florence Methodist Sabbath School; also, of the W.C.T.U., Petrolia; also, of the W.C.T.U., Dresden; also, of the Official Board, Dresden Methodist Church; also, of the W.C.T.U., Alvinston; also, of the Young People's League, Forest Methodist Church; also, of the Bethel Young People's Society, Methodist Church, Warwick; also, of the Bethel Methodist Sunday School; also, of the Bethel Methodist Church; also, of the Croton Methodist Church Sunday School; also, of the Huron U.F.O. Club, No. 190; also, of the Everett Methodist Sunday School; also, of the Big Bay Point Sunday School; also, of the Presbyterian Church, Churchill; also, of the Lake Simcoe Farmers Club; also, of the Bond Head Methodist Sunday School; also, of the Tottenham Methodist Church Young People's Society; also, of the Young People's League, Smithfield

Methodist Church; also, of the Arden Mission, Bay of Quinte Methodist Church; also, of the Wentworth County Prohibition Union; also, of the Jerseyville Methodist Church Sunday School; also, of the Waterdown Methodist Sunday School; also, of the Dundas Methodist Church; also, of the U.F.O. Club of Kipling; also, of the Scandinavian Baptist Church; also, of the Hotham Branch of Women's Institute; also, of the North Bay Methodist Church Sabbath School, severally praying that no amendment to the Ontario Temperance Act be made except to increase its prohibitory provisions.

The following Bills were severally introduced and read the first time:—

Bill (No. 164), intituled "An Act respecting Natural Gas." *Mr. McCrea.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 165), intituled "An Act to amend the Highway Improvement Laws." *Mr. Henry.*

Ordered, That the Bill be read the second time on Monday next.

Mr. Sangster asked the following Question:—

1. Is the Government constructing a dam in the Township of Grimsthorpe. 2. For what purpose is it being constructed. 3. What amount of money has been spent to date upon it. 4. What amount of money has been spent to date in repairing roads to get to the same. 5. When completed, what public service will be rendered by it. 6. Who has the supervision of the work.

And the Minister of Public Works replied as follows:—

1. Yes. 2. Storage of water. 3. \$10,091.52. 4. \$150.00. 5. When completed the dam will hold a head of eighteen feet of water. The storage basin has an area of 2,000 acres. The following water power plants will be affected:— (1) Queensboro, saw and grist mill; (2) Tweed, saw and grist mill; (3) Lost Channel, saw and grist mill; (4) Poucher's Mill, grist mill; (5) Chisholms Mills, grist mill; (6) Belleville industries. 6. R. W. Fleming is foreman in charge. Walter Wiggins and engineers of the Department of Public Works have supervision of the work.

Mr. Pinard asked the following Question:—

1. What year and day of month was Lot 8, Concession 8, Township of Nipigon, District of Thunder Bay, sold. 2. What were the terms of the agreement of sale. 3. If the lot was not sold, was the timber on it sold for stumpage.

4. Under what arrangements or agreement was the timber sold. 5. Could the timber on the above lot be exported under terms of the sale. 6. To what mill was the pulpwood, cut on the above lot, delivered.

And the Minister of Lands and Forests replied as follows:—

1. West half lot patented 24th February, 1917, as a Veteran Grant; east half of the lot in the Crown. 2. Pine only reserved in Veteran Patent. 3. Timber on east half sold by tender on stumpage basis, 8th August, 1922, to be cut by 30th April, 1923. Time subsequently extended to 30th April, 1925. 4. Answered by No. 3. 5. Yes, as to timber covered by grant of west half. No, as to timber on east half. 6. Records in Department do not show.

Mr. Lethbridge asked the following Question:—

1. Who was the contractor for the extension of the T. & N.O. Railway into Quebec. 2. When was the contract signed. 3. What is the contract price. 4. How many miles of the road are to be in Quebec. 5. Was there a previous contract for the construction of this extension. 6. Who was the previous contractor. 7. When was the previous contract made. 8. Why was the previous contractor released.

And the Premier replied as follows:—

1. No contract for the proposed extension into Quebec has been made, but tenders have been called for the work and are receivable up till April 6th. 2 and 3. Answered by the above reply. 4. Twenty-seven miles. 5. There was a contract for the extension from Swastika to Larder Lake, which extension is now to be continued to the Province of Quebec. 6. Sinclair Brothers Construction Company, Limited, of Toronto. 7. June 20th, 1923. 8. The contractors notified the Directors of the Nipissing Central Railway that they were unable to complete their contract.

Mr. Lethbridge asked the following Question:—

1. Has there been a reorganization of the Lyons Fuel and Supply Company, Limited, since the returns to the Government for the year 1922. 2. How much stock in the Company is now held by the Minister of Lands and Forests and members of his family, giving names and amounts of stock in each case. 3. How much by other persons, giving the names and addresses of each such other person. 4. Has the Government received the returns of this Company for the years 1923 and 1924. 5. If not, has the Government asked the Company to comply with the law by filing its returns for these years. 6. If not, why not.

To which the Minister of Lands and Forests replied as follows:—

1. No. 2. This information is on record in the Provincial Secretary's office. 3. Answered by No. 2. 4. Yes. 5. Answered by No. 4. 6. Answered by No. 4.

Mr. Mewhinney asked the following Question:—

1. Was the address of Hon. W. F. Nickle, K.C., Attorney-General, delivered February 17th, 1925, in the Debate upon the Address in reply to the Speech from the Throne, printed at the expense of the Government. 2. Was it reported at the expense of the Government. 3. How many copies were printed. 4. What was the cost of reporting the speech. 5. What was the cost of printing the speech. 6. How is it proposed to distribute the printed copies. 7. What will be the cost of distribution.

And the Premier replied as follows:—

1. No. 2. No. 3. None at the expense of the Government. 4. No cost to the Government. 5. No cost to the Government. 6. Copies are available for general distribution at the office of the Prime Minister. 7. No cost to the Government.

Mr. Wallis asked the following Question:—

1. Did the Standard Paving Company secure a contract for a mile of road in East Cornwall known as the Montreal Road. 2. Was a telegram sent to this firm informing them they were successful in securing this contract. 3. Was a telegram sent later informing them that the contract would be put up for tender again. 4. Who finally secured the contract. 5. Why was it put up for tender the second time.

And the Minister of Public Works replied as follows:—

1. No. 2. No. 3. No. 4. This contract was divided and the base secured by McLean & Stidwill, and the top by W. E. Tummon. 5. To get competitive tenders allowing several types of pavements to qualify.

On motion of Mr. Sinclair, seconded by Mr. Clarke (Northumberland),

Order of the House for a Return to be laid before this House showing all communications, letters and documents of all kinds passing between Mr. Trotter, of Little Current, David Irving, Fish Inspector, Little Current, Mr. Hawkins, of Blind River, and the Department of Game and Fisheries or any other Department of the Government, in connection with the issuing of pound net licenses in White Fish Bay.

On motion of Mr. Sinclair, seconded by Mr. Clarke (Northumberland),

Order of the House for a Return showing all the information furnished to the Legislature as to the requirements and resources of the electoral districts in the provisional judicial districts of Ontario by the Legislative Secretary for Northern Ontario, as required of him under "The Legislative Secretary for

Northern Ontario Act, 1924," the times at which the same was furnished, and to which Minister the same was furnished, and showing also what duties in addition to those required by said Act, were imposed upon the Legislative Secretary for Northern Ontario by Order-in-Council, letter or otherwise, the time when the same were imposed, and the Report or Reports of the said Legislative Secretary for Northern Ontario upon the performance of the same.

On motion of Mr. Sinclair, seconded by Mr. Clarke (Northumberland),

Order of the House for a Return showing all correspondence passing between the solicitors of Alva Lindsay McBride, widow of Kenneth McBride, deceased, and the Department of Lands and Forests and between said Department and said solicitors regarding back pay due the said Kenneth McBride at his decease and compensation due the widow on account of said decease and all correspondence from other parties with said Department and by the said Department with other parties in relation to the same.

The following Bills were severally read the second time:—

Bill (No. 11), Respecting the City of Brantford.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 31), To confirm Family Arrangement in respect of the Estate of Thomas Nihan, deceased.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 6), An Act to amend the Ontario Lutheran Church Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 13), To consolidate the Floating Debt of the Town of Gravenhurst.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 19), Respecting the Village of Forest Hill.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 33), Respecting the Town of Sturgeon Falls.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 34), Respecting the City of London.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 40), Respecting the Municipality of Shuniah.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 158), To amend the Consolidated Municipal Act, 1922.

Referred to the Municipal Committee.

On motion of Mr. Henry, seconded by Mr. Nickle,

Ordered, That this House do forthwith resolve itself into a Committee to consider certain proposed Resolution respecting the Tax on Gasoline.

Mr. Ferguson acquainted the House that His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed Resolution, recommends it to the consideration of the House.

The House then resolved itself into the Committee.

(In the Committee.)

Resolved, That for the purpose of providing for a fair contribution by the users of roads in Ontario towards the cost of the construction and maintenance thereof, every purchaser shall pay to the Minister for the use of His Majesty in the right of the Province of Ontario, a charge or tax at the rate of three cents a gallon on all gasoline purchased by him, the said charge or tax to be collected, accounted for and paid over to the Minister by such person as the regulations may direct.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had come to a certain Resolution.

Ordered, That the Report be now received.

Mr. Jamieson (Grey) reported the Resolution as follows:—

Resolved, That for the purpose of providing for a fair contribution by the users of roads in Ontario towards the cost of the construction and maintenance thereof, every purchaser shall pay to the Minister for the use of His Majesty in the right of the Province of Ontario, a charge or tax at the rate of three cents a gallon on all gasoline purchased by him, the said charge or tax to be collected, accounted for and paid over to the Minister by such person as the regulations may direct.

The Resolution having been read the second time, was agreed to, and referred to the Committee of the Whole House on Bill (No. 151), To provide for imposing a Tax on the purchasers of Gasoline.

On motion of Mr. Price, seconded by Mr. Nickle,

Ordered, That this House do forthwith resolve itself into a Committee to consider certain proposed Resolutions respecting the borrowing of money for the Public Service.

Mr. Ferguson acquainted the House that His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed Resolutions, recommends them to the consideration of the House.

The House then resolved itself into the Committee.

(In the Committee.)

Resolved—1. That the Lieutenant-Governor in Council be authorized to raise by way of loan a sum of money not exceeding forty million dollars (\$40,000,000) for all or any of the purposes following, that is to say: For the public service, for works carried on by commissioners on behalf of Ontario, for the covering of any debt of Ontario on open account, for paying any floating indebtedness of Ontario, for the carrying on of the public works authorized by the Legislature and for redeeming in whole or in part the outstanding debentures of the Province of Ontario that have been issued free of succession duty.

2. That the aforesaid sum of money may be borrowed for any term or terms not exceeding forty years, at such rate as may be fixed by the Lieutenant-Governor in Council and shall be raised upon the credit of the Consolidated Revenue Fund of Ontario and shall be chargeable thereupon.

3. That the Lieutenant-Governor in Council may provide for a special sinking fund with respect to the issue herein authorized, and such sinking fund may be at a greater rate than the one-half of one per centum per annum specified in subsection 2 of section 4 of The Provincial Loans Act.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had come to certain Resolutions.

Ordered, That the Report be now received.

Mr. Jamieson (Grey) reported the Resolutions as follows:—

Resolved—1. That the Lieutenant-Governor in Council be authorized to raise by way of loan a sum of money not exceeding forty million dollars (\$40,000,000) for all or any of the purposes following, that is to say: For the public service, for works carried on by commissioners on behalf of Ontario, for the covering of any debt of Ontario on open account, for paying any floating indebtedness of Ontario, for the carrying on of the public works authorized by the Legislature and for redeeming in whole or in part the outstanding debentures of the Province of Ontario that have been issued free of succession duty.

2. That the aforesaid sum of money may be borrowed for any term or terms not exceeding forty years, at such rate as may be fixed by the Lieutenant-Governor in Council and shall be raised upon the credit of the Consolidated Revenue Fund of Ontario and shall be chargeable thereupon.

3. That the Lieutenant-Governor in Council may provide for a special sinking fund with respect to the issue herein authorized, and such sinking fund may be at a greater rate than the one-half of one per centum per annum specified in subsection 2 of section 4 of The Provincial Loans Act.

The Resolutions having been read the second time, were agreed to, and referred to the Committee of the Whole House on Bill (No. 166), For raising money on the Credit of the Consolidated Revenue Fund.

The following Bill was then introduced and read the first time:—

Bill (No. 166), intituled "An Act for raising money on the Credit of the Consolidated Revenue Fund." *Mr. Price.*

Ordered, That the Bill be read the second time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 129), To amend the Ontario Money Lenders Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 139), To amend the Ontario Insurance Act, 1924, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 140), To amend the Loan and Trusts Corporation Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 156), To amend the Public Libraries Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 150), To impose a charge for Fire Prevention purposes, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 151), To provide for imposing a Tax on the purchasers of Gasoline, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time on Monday next.

The House then adjourned at 5.00 p.m.

Monday, March 30th, 1925.

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Rankin, the Petition of the Hartington Methodist Sunday School.

By Mr. Vaughan, the Petition of the Women's Christian Temperance Association of Welland; also, the Petition of the Executive of the Welland Methodist Sunday School; also, the Petition of the Welland Auxiliary of the W.M.S. of the Methodist Church; also, the Petition of the Quarterly Official Board of the Methodist Church of Welland; also, the Petition of the Young People's League of the Thorold Methodist Church; also, the Petition of the Fonthill Baptist Church; also, the Petition of the Rosedale Baptist Mission, Welland; also, the Petition of the Royal Templars of Temperance, Welland Council, No. 10, Fonthill; also, the Petition of the Mount Vernon Methodist Church of Fenwick Circuit; also, the Petition of the Mount Vernon Sunday School, Pelham; also, the Petition of the Church of Christ at Winger, Wainfleet; also, the Petition of the Young People's Society of Christian Endeavour of the Winger Church of Christ; also, the Petition of the Baptist Young People's Society of Port Colborne; also, the Petition of the Women's Christian Temperance Union of Thorold.

The following Petitions were read and received:—

Of the Williamsburg Branch Women's Institute; also, of the Winchester Methodist Sunday School; also, of the W.C.T.U., Dundas; also, of the Women's Missionary Society, St. Andrew's Presbyterian Church, Williamsburg; also, of the Trinity Methodist Sunday School, Chesterville; also, of the Women's Institute, Winchester; also, of the W.C.T.U., Winchester; also, of the Methodist Sunday School of Maberly; also, of the Smith's Falls Temperance Committee; also, of the Auburn Sunday School Association; also, of the Manilla Baptist Church; also, of the Melbourne and District Farmers' Club; also, of the Palermo Methodist Church; also, of the Trafalgar Methodist Circuit; also, of the Appleby Methodist Church; also, of the Nelson Community League; also, of the Appleby Community League; also, of the Wesley Sunday School, Snyder's Corners, Oakville; also, of the W.C.T.U., Milton; also, of the Zimmerman Methodist Church, Milton; also, of the Zimmerman Methodist Sunday School; also, of the Nelson Methodist Sunday School; also, of the Alert Adult Bible Class, Oakville; also, of the Methodist Sunday School, Oakville; also, of the Methodist Sunday School, Georgetown; also, of the Munn's Sunday School, Halton; also, of the Golden Rule Council, No. 60, R. T. of T., Oakville; also, of the Milton Methodist Church; also, of the Methodist Sabbath School of Crewson's Corners; also, of the W.C.T.U., Oakville; also, of the Boston Mission Circle; also, of the South Woodslee Baptist Church; also, of the Ashgrove U.F. and W.F.W.O. Club, No. 244a and 1536; also, of the Ashgrove Sunday School; also, of the Grahamville Methodist Church; also, of the Palestine Methodist Church; also, of the Baptist Young People's Union of Goderich; also, of the Thames Road Presbyterian Church; also, of the Carmel Church Sunday School; also, of the Carmel Church Women's Missionary Society; also, of the Old Windham Epworth League; also, of the Courtland Baptist Young People's Union; also, of the Epworth League of Courtland Methodist Church; also, of the South Middleton Church and Sunday School; also, of the Deseranto Council, No. 289, R. T. of T.; also, of the East Lake U.F.W.C. and East Lake United Farmers; also, of the Cherry Valley Women's Institute and Epworth League; also, of the Young People's League of West Lake Methodist Church; also, of the Young People's Society of Hillier; also, of the Hillier Sunday School; also, of the Demorestville Methodist Sunday School; also, of the Woodville Appointment, Northport Circuit, Methodist Church; also, of the Bongards Church and Sabbath School, Cressy Circuit; also, of the Mount Pleasant Sunday School of Hallowell Township; also, of the

Young People's Society, Cherry Valley; also, of the Colpoys Bay U.F.O. Club; also, of the Pike Bay Methodist Church; also, of the Young People's League, Mount Hope, Arkwright Circuit; also, of the L.O.L., No. 1281; also, of the United Church Congregation; also, of the Gainsboro and Smithville Ontario Religious Education Council; also, of the Northcote Farmers' Club, No. 239; also, of the Young People's Guild, Quaker Hill; also, of the Omricon Kappa, Tuxis Square, Quaker Hill; also, of the Uxbridge Methodist Sunday School; also, of the Epsom Sunday School; also, of the St. Andrew's Presbyterian Sunday School, Quaker Hill; also, of the South Kinloss Club, No. 840; also, of the First Methodist Church, Collingwood; also, of the Second Methodist Church, Collingwood; also, of the Burford Circuit Methodist Churches; also, of the Cathcart Methodist Sunday School; also, of the St. George Baptist Sunday School; also, of the Women's Missionary Society, Branchton Presbyterian Church; also, of the Maple Leaf U.F.W.O. Club of Middleport; also, of the Presbyterian Sabbath School of Branchton; also, of the Presbyterian Church of Branchton; also, of the St. Andrew's Presbyterian Young People's Society, Brighton; also, of the St. Andrew's Presbyterian Church, Brighton; also, of the Ormond Baptist Church; also, of the South Mountain Methodist Circuit; also, of the Morewood Methodist Church; also, of the Citizens of Morewood and vicinity; also, of the Cedar Springs Methodist Sunday School; also, of the Rushton's Corners U.F.W.O. Club; also, of the Bothwell Baptist Church; also, of the Blenheim Auxiliary of the Women's Missionary League; also, of the Tiny Epworth League; also, of the Carneen Methodist School, New Scotland; also, of the United Church, Gore Bay; also, of the United Church, Silver Water; also, of the Wilton Grove U.F.W.O.; also, of the Silver Water St. Andrew's Sabbath School; also, of the Ladies' Aid and Women's Missionary Society of St. Andrew's Presbyterian Church, Silver Water; also, of the Local Plebiscite Committee, Manitowaning; also, of the Spring Bay Salem Mennonite Sunday School; also, of the Tehkummah Sabbath School; also, of the Barrie Island Church Congregation; also, of the Members and Adherents of Poplar Township Church; also, of the Congregation of Gordon Church of the Manitoulin Island; also, of the Billing's Congregation of the United Church in Canada; also, of the Reformed Presbyterian Church, Lochiel; also, of the St. Andrew's Women's Missionary Society, Lancaster; also, of the Glen Gordon U.F.O., Lancaster Township, severally praying that no amendments be made to the Ontario Temperance Act, except to increase its prohibitory provisions.

The following Bill was introduced and read the first time:—

Bill (No. 167), intituled "An Act to amend the Provincial Highway Act."
Mr. Henry.

Ordered, That the Bill be read the second time To-morrow.

The House resolved itself into a Committee, severally to consider the following Bills:—

Bill (No. 11), Respecting the City of Brantford.

Bill (No. 31), To confirm Family Arrangement in respect of the Estate of Thomas Nihan, deceased.

Bill (No. 6), An Act to amend the Ontario Lutheran Church Act.

Bill (No. 13), To consolidate the Floating Debt of the Town of Gravenhurst.

Bill (No. 19), Respecting the Village of Forest Hill.

Bill (No. 33), Respecting the Town of Sturgeon Falls.

Bill (No. 34), Respecting the City of London.

Bill (No. 40), Respecting the Municipality of Shuniah.

Mr. Speaker resumed the Chair; and Mr. Owens reported, That the Committee had directed him to report the several Bills without amendments.

Ordered, That the Bills reported, be severally read the third time To-morrow.

The following Bills were severally read the second time:—

Bill (No. 63), To amend the Natural Gas Conservation Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 164), Respecting Natural Gas.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 157), To amend the School Laws.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 96), To make further provision for Northern and Northwestern Ontario Development.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 161), To confirm an Agreement between the Hydro-Electric Power Commission of Ontario, the City of Toronto and the Toronto Harbour Commissioners.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 162), Respecting Representation of the People in the Legislative Assembly.

Referred to a Select Committee.

On motion of Mr. Henry, seconded by Mr. Price,

Ordered, That a Select Committee of fifteen members be appointed to consider and fill in the schedule in Bill (No. 162) with all convenient speed, to be composed as follows:—

Messrs. Ferguson, Henry, Price, Macdiarmid, Bradburn, Clarke (Northumberland), Homuth, Keith, Lang, Mahoney, Milligan, Monteith, Nixon, Taylor and Vaughan.

Bill (No. 166), For raising money on the credit of the Consolidated Revenue Fund.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 163), To amend the Workmen's Compensation Act.

Referred to a Committee of the Whole House To-morrow.

The following Bills were severally read the third time and passed:—

Bill (No. 69), To amend the Local Improvement Act.

Bill (No. 76), For the Control and Eradication of the European Corn Borer.

Bill (No. 85), To amend the Statutes Act.

Bill (No. 86), To amend the Conditional Sales Act.

Bill (No. 87), To amend the Wages Act.

Bill (No. 79), To amend the Prisons and Public Charities Inspection Act.

Bill (No. 1), Respecting the Corporation of the Municipality of Paipoonge.

Bill (No. 7), To confirm By-law No. 567 of the Town of Harriston.

Bill (No. 2), To incorporate the Village of Ripley.

Bill (No. 26), To authorize John McRobie to make application to practice Optometry.

Bill (No. 4), Respecting the City of Windsor.

Bill (No. 9), To incorporate the City of North Bay.

Bill (No. 99), To amend the Surrogate Courts Act.

Bill (No. 39), Respecting the City of Toronto.

Bill (No. 49), To further amend the Act incorporating the St. Patrick's Asylum of Ottawa.

Bill (No. 109), To amend the Ontario Public Service Act.

Bill (No. 114), To amend the Audit Act.

Bill (No. 120), To authorize the Lieutenant-Governor in Council to guarantee payment of certain Debentures.

Bill (No. 128), To amend the Debenture Guarantee Act, 1924.

Bill (No. 8), To amend an Act respecting the Hamilton Young Women's Christian Association.

Bill (No. 16), Respecting the City of Owen Sound.

Bill (No. 30), Respecting the Township of North York.

Bill (No. 10), Respecting the City of Toronto.

Bill (No. 154), To repeal the Billiard Room and Bowling Alley License Act.

Bill (No. 155), To amend the Health Department Act.

Bill (No. 129), To amend the Ontario Money Lenders' Act.

The House, according to Order, again resolved itself into the Committee of Supply.

(In the Committee.)

Resolved, That there be granted to His Majesty, for the services of 1925, the following sum:—

To defray the expenses of the Public Works Department, \$1,528,279.50.

Mr. Speaker resumed the Chair; and Mr. Owens reported, That the Committee had come to a certain Resolution; also, That the Committee had directed him to ask for leave to sit again.

Ordered, That the Report be received forthwith.

Resolved, That the Committee have leave to sit again To-morrow.

Mr. Owens from the Committee of Supply reported the following Resolutions:—

115. *Resolved*, That a sum not exceeding Five thousand dollars be granted to His Majesty to defray the expenses of Civil Government for the year ending 31st October, 1925.

116. *Resolved*, That a sum not exceeding Two thousand nine hundred dollars be granted to His Majesty to defray the expenses of Legislation for the years ending 31st October, 1925.

117. *Resolved*, That a sum not exceeding Forty thousand four hundred and forty-eight dollars and thirteen cents be granted to His Majesty to defray the expenses of the Administration of Justice for the year ending 31st October, 1925.

118. *Resolved*, That a sum not exceeding Eight thousand one hundred and sixty-two dollars and sixty cents be granted to His Majesty to defray the expenses of Civil Government, Department of Insurance, for the year ending 31st October, 1925.

119. *Resolved*, That a sum not exceeding Eighty-nine thousand eight hundred and thirty dollars be granted to His Majesty to defray the expenses of Education for the year ending 31st October, 1925.

120. *Resolved*, That a sum not exceeding Five thousand dollars be granted to His Majesty to defray the expenses of Civil Government, Lands and Forests, for the year ending 31st October, 1925.

121. *Resolved*, That a sum not exceeding Twenty-one thousand dollars be granted to His Majesty to defray the expenses of Civil Government, Mines Department, for the year ending 31st October, 1925.

122. *Resolved*, That a sum not exceeding Forty-eight thousand five hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Civil Government, Game and Fisheries Department, for the year ending 31st October, 1925.

123. *Resolved*, That a sum not exceeding One million five hundred and twenty-eight thousand two hundred and seventy-nine dollars and fifty cents be granted to His Majesty to defray the expenses of Civil Government, Public Works Department, for the year ending 31st October, 1925.

124. *Resolved*, That a sum not exceeding Six thousand dollars be granted to His Majesty to defray the expenses of Department of Public Highways, Miscellaneous, for the year ending 31st October, 1925.

125. *Resolved*, That a sum not exceeding Thirteen thousand two hundred dollars be granted to His Majesty to defray the expenses of Civil Government, Department of Health, for the year ending 31st October, 1925.

126. *Resolved*, That a sum not exceeding Five thousand eight hundred dollars be granted to His Majesty to defray the expenses of Civil Government, Department of Labour, for the year ending 31st October, 1925.

127. *Resolved*, That a sum not exceeding Seventy-five thousand seven hundred dollars be granted to His Majesty to defray the expenses of Civil Government, Provincial Treasurer's Department, for the year ending 31st October, 1925.

128. *Resolved*, That a sum not exceeding Twenty-four thousand five hundred dollars be granted to His Majesty to defray the expenses of Provincial Auditor's Office for the year ending 31st October, 1925.

129. *Resolved*, That a sum not exceeding Two hundred and eighty-six thousand six hundred and ninety-eight dollars and fifty-six cents be granted to His Majesty to defray the expenses of the Provincial Secretary's Department, Miscellaneous, for the year ending 31st October, 1925.

130. *Resolved*, That a sum not exceeding Twenty-six thousand four hundred and ninety-nine dollars and thirteen cents be granted to His Majesty to defray the expenses of Agriculture Department, Miscellaneous, for the year ending 31st October, 1925.

The several Resolutions, having been read the second time, were concurred in.

The following Bill was then introduced and read the first time:—

Bill (No. 168), intituled "An Act to amend the Corporations Tax Act."
Mr. Price.

Ordered, That the Bill be read the second time To-morrow.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Auditor's report 1923-24 prepared pursuant to provisions of an Order-in-Council, dated 28th October, 1909. (*Sessional Papers*, No. 67).

Also: Return to an Order of the House for a Return showing all requests by the Minister of Highways under the Ontario Highways Act, 1924, 14 Geo. V, cap. 28, that the Highway Committee consult with him as to the administration of Acts of the Legislature respecting the construction, maintenance and operation of highways by municipal corporations or the Province, and for a Return of all

recommendations and suggestions made by said Committee to the Minister in consequence of such requests for improvements and amendments in said Acts and the administration of the same, and for a Return showing all requests of the Minister that said Committee personally visit and inspect any highway or district through which it was proposed to construct, improve or extend any highway under any of said Acts and for a Return showing all reports of said Committee made to the Minister in consequence thereof. (*Sessional Papers, No. 68*).

The House then adjourned at 4.25 p.m.

Tuesday, March 31st, 1925.

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Wigle, the Petition of the Brussels Methodist Congregation.

By Mr. Oakley, the Petition of the Young People's League of Simpson Avenue Church.

By Mr. Freeborn, the Petition of the Bryanston Centenary Methodist Church and Sunday School; also, the Petition of the Biss Methodist Sunday School; also, the Petition of the Bryanston Methodist Sunday School; also, the Petition of the Ladies' Aid of the Bryanston Methodist Church; also, the Petition of the Ilderton Methodist Sunday School.

Mr. Nickle from the Standing Committee on Private Bills presented their Eighth Report which was read as follows and adopted:

Your Committee beg to report the following Bills without amendment:—

Bill (No. 56), An Act respecting the City of Hamilton.

Bill (No. 59), An Act to enable the Executors of the late Edmund Boyd Osler to make a certain gift out of his estate for public purposes.

Bill (No. 58), To enable the Town of Brampton to sell houses erected by the Housing Commission of said Town at less than actual cost.

Your Committee beg to report the following Bills with certain amendments:—

Bill (No. 21), An Act respecting the Town of Walkerville.

Bill (No. 22), An Act respecting the Town of Sandwich.

Bill (No. 38), An Act respecting the Town of Carleton Place.

Your Committee recommend that the fees, less the actual cost of printing, be remitted on Bill (No. 59), "An Act to enable the Executors of the late Edmund Boyd Osler to make a certain gift out of his estate for public purposes."

Your Committee also recommend that the fees, less the actual cost of printing, be remitted on Bill (No. 37), "An Act respecting the Town of Carleton Place," and its provisions which have been approved of by your Committee be incorporated in Bill (No. 38), "An Act respecting the Town of Carleton Place."

Ordered, That the fees, less the actual cost of printing, be remitted on Bill (No. 59), To enable the Executors of the late Edmund Boyd Osler to make a certain gift out of his estate for public purposes.

Ordered, That the fees, less the actual cost of printing, be remitted on Bill (No. 37), Respecting the Town of Carleton Place, and its provisions which have been approved of by Committee be incorporated in Bill (No. 38), Respecting the Town of Carleton Place.

On motion of Mr. Lang, seconded by Mr. Kennedy (Timiskaming),

Ordered, That notwithstanding the time for presenting Petitions for Private Bills has expired, leave be given to present a Petition relating to the Township of Tisdale and that the same be now read and received.

The following Petition was then read and received:—

The Petition of the Township Council of Tisdale, praying that an Act may pass authorizing the passing of certain By-laws.

On motion of Mr. Lang, seconded by Mr. Kennedy (Timiskaming),

Ordered, That notwithstanding the time for introducing Private Bills has elapsed, leave be given to introduce a Bill relating to the Township of Tisdale, and that the same be now read a first time and do stand referred direct to the Committee on Private Bills irrespective of report from Standing Orders or posting in the Lobby as required by the Rule in that case made and provided.

The following Bill was then introduced and read a first time:—

Bill (No. 170), intituled "An Act respecting the Township of Tisdale." *Mr. Lang.*

Referred to the Committee on Private Bills.

The following Bills were then severally introduced and read the first time:—

Bill (No. 169), intituled "An Act to amend the Cemetery Act." *Mr. Mahoney.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 171), intituled "An Act to amend the Registry Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 172), intituled "An Act to amend the Land Titles Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 173), intituled "An Act to amend the Optometry Act, 1919." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 174), intituled "An Act to amend the District of Cochrane Act, 1922." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 175), intituled "An Act to amend the Horticultural Societies Act." *Mr. Martin.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 176), intituled "An Act to supplement the Revenue of the Crown in the Province of Ontario." *Mr. Price.*

Ordered, That the Bill be read the second time To-morrow.

Mr. Ferguson delivered to Mr. Speaker a message from the Lieutenant-Governor, signed by himself; and the said message was read by Mr. Speaker, and is as follows:—

H. COCKSHUTT.

The Lieutenant-Governor transmits Further Supplementary Estimates of certain sums required for the service of the Province for the year ending 31st October, 1925, and recommends them to the Legislative Assembly.

GOVERNMENT HOUSE,
Toronto, March 31st, 1925.

(Sessional Papers, No. 2.)

Ordered, That the message of the Lieutenant-Governor, together with the estimates accompanying the same, be referred to the Committee of Supply.

Mr. Black moved, seconded by Mr. Jamieson (Grey),

That this House concurs in the representation made by the Committee appointed to study the agricultural interests of the Province as to the desirability, in the interest of the live stock industry, of facilitating the movement of feeder cattle from public stock yards to farms for finishing, and of improving the conditions under which mixed carloads of live stock are transported to public stock yards.

That this House, furthermore, agrees with the Committee that an adjustment of the freight rates and conditions of shipment of these two classes of freight would be highly advantageous to the farming community, and would, at the same time, bring increased business to the railways concerned.

That this House, therefore, urges upon the Railway authorities the necessity, both in the interest of production and of transportation, of an adjustment of freight rates and conditions in Eastern Canada, as follows:—

(1) By reducing the minimum weights of mixed cars containing cattle with other live stock.

(2) By substantially lowering the freight rates on feeder cattle when carried from public stock yards to farms for finishing purposes.

And a Debate having arisen,

And the House having continued to sit until Twelve of the Clock Midnight.

Wednesday, April 1st, 1925.

The Debate continued,

And after some time,

The Motion, having been again put, was carried and it was

Resolved, That this House concurs in the representation made by the Committee appointed to study the agricultural interests of the Province as to the desirability, in the interest of the live-stock industry, of facilitating the movement of feeder cattle from public stock yards to farms for finishing, and of improving the conditions under which mixed carloads of live stock are transported to public stock yards.

That this House, furthermore, agrees with the Committee that an adjustment of the freight rates and conditions of shipment of these two classes of freight would be highly advantageous to the farming community, and would, at the same time, bring increased business to the railways concerned.

That this House, therefore, urges upon the Railway authorities the necessity, both in the interest of production and of transportation, of an adjustment of freight rates and conditions in Eastern Canada, as follows:—

(1) By reducing the minimum weights of mixed cars containing cattle with other live stock.

(2) By substantially lowering the freight rates on feeder cattle when carried from public stock yards to farms for finishing purposes.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Annual report of The Mothers' Allowances Commission for the year 1923-1924. (*Sessional Papers, No. 69.*)

The House then adjourned at 12.10 a.m.

Wednesday, April 1st, 1925.

PRAYERS.

3 O'CLOCK P.M.

The following Petition was brought up and laid upon the Table:—

By Mr. Sewell, the Petition of the Methodist Sunday School of Teeterville.

The following Petitions were read and received:—

Of the Brussels Methodist Congregation; also, of the Young People's League of Simpson Avenue Church; also, of the Bryanston Centenary Methodist Church and Sunday School; also, of the Biss Methodist Sunday School; also, of the Bryanston Methodist Sunday School; also, of the Ladies' Aid of the Bryanston Methodist Church; also, of the Ilderton Methodist Sunday School; also, of the Hartington Methodist Sunday School; also, of the W.C.T.U., Welland County; also, of the Executive of Welland Methodist Sunday School; also, of the Welland Auxiliary of the Women's Missionary Society of the Methodist Church; also, of the Quarterly Board of the Welland Methodist Church; also, of the Young People's League of Thorold Methodist Church; also, of the Fonthill Baptist Church; also, of the Rosedale Baptist Mission, Welland; also, of the Royal Templars of Temperance, Council No. 10, Fonthill; also, of the Mount Vernon Methodist Church, Fenwick Circuit; also, of the Mount Vernon Methodist Church Sunday School, Pelham Township; also, of the Church of Christ, Winger; also, of the Young People's Society of Christian Endeavour,

Winger Church of Christ; also, of the Young People's Society, Baptist Church, Port Colborne; also, of the W.C.T.U., Thorold, Welland County, severally praying that no amendments be made to the Ontario Temperance Act, except to strengthen its prohibitory provisions.

Mr. Milligan, from the Standing Committee on Legal Bills, presented their First Report, which was read as follows and adopted:—

Your Committee have carefully considered the following Bills and have prepared certain amendments thereto respectively:—

Bill (No. 124), To amend the Marriage Act.

Bill (No. 102), To amend the Ontario Architects Act.

Bill (No. 111), To amend the Cemetery Act.

Your Committee have carefully considered Bill (No. 145), To amend the Surrogate Courts Act, and report the same without amendment.

The following Bills were severally introduced and read the first time:—

Bill (No. 177), intituled "An Act to amend the Executive Council Act."
Mr. Ferguson.

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 178), intituled "An Act to amend the Legislative Assembly Act."
Mr. Ferguson.

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 179), intituled "An Act to provide for Township Boards of Public School Trustees." *Mr. Ferguson.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 180), intituled "An Act to amend the Ontario Companies Act."
Mr. Nickle.

Ordered, That the Bill be read the second time To-morrow.

On motion of Mr. Price, seconded by Mr. Martin,

Ordered, That this House do forthwith resolve itself into a Committee to consider certain proposed Resolution respecting a tax on race meetings.

Mr. Ferguson acquainted the House that His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed Resolution, recommends it to the consideration of the House.

The House then resolved itself into the Committee.

(In the Committee.)

Resolved, That in lieu of the tax imposed under the provisions of subsection 15 of section 4 of the Corporations Tax Act, as enacted by section 6 of the Corporations Tax Act, 1920, every incorporated company, association or club owning or operating or using a race-track and holding a race-meeting shall pay in advance before such race-meeting for each day of such meeting a tax of \$7,500.00, but where in the case of any track heretofore operated and not over one-half mile in length the amount wagered at any meeting is less than \$1,100,000.00 the Treasurer may rebate such tax by \$2,500.00 *per* day, but such tax shall not be less than \$5,000.00 *per* day:

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had come to a certain Resolution.

Ordered, That the Report be now received.

Mr. Jamieson (Grey) reported the Resolution as follows:—

Resolved, That in lieu of the tax imposed under the provisions of subsection 15 of section 4 of the Corporations Tax Act, as enacted by section 6 of the Corporations Tax Act, 1920, every incorporated company, association or club owning or operating or using a race-track and holding a race-meeting shall pay in advance before such race-meeting for each day of such meeting a tax of \$7,500.00, but where in the case of any track heretofore operated and not over one-half mile in length the amount wagered at any meeting is less than \$1,100,000.00, the Treasurer may rebate such tax by \$2,500.00 *per* day, but such tax shall not be less than \$5,000.00 *per* day.

The Resolution, having been read the second time, was agreed to, and referred to the Committee of the Whole House on Bill (No. 168), Respecting the Corporations Tax Act.

The following Bills were severally read the second time:—

Bill (No. 168), To amend the Corporations Tax Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 165), To amend the Highway Improvement Laws.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 167), To amend the Provincial Highways Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 56), Respecting the City of Hamilton.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 59), To enable the Executors of the late Edmund Boyd Osler to make a certain gift out of his Estate for Public purposes.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 58), To enable the Town of Brampton to sell Houses erected by the Housing Commission at less than actual cost.

Referred to a Committee of the Whole House To-morrow.

The House resolved itself into a Committee to consider Bill (No. 166), For raising money on the Credit of the Consolidated Revenue Fund, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 96), To make further provision for Northern and Northwestern Development, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had made some progress, and directed him to ask for leave to sit again.

Resolved, That the Committee have leave to sit again To-morrow.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Report of the Registrar of Loan Corporations for 1924. (*Sessional Papers*, No. 11.)

Also—Report of the Superintendent of Insurance for the year 1924. (*Sessional Papers, No. 10.*)

Also—Regulations and Orders-in-Council made under the authority of the Department of Education Act or of the Acts relating to Public Schools, Separate Schools or High Schools. (*Sessional Papers, No. 51.*)

The House then adjourned at 5.55 p.m.

Thursday, April 2nd, 1925.

PRAYERS.

3 O'CLOCK P.M.

Mr. Nickle from the Standing Committee on Private Bills presented their Ninth Report which was read as follows and adopted:

Your Committee beg to report the following Bills without amendment:—

Bill (No. 32), An Act respecting the Town of Hawkesbury.

Your Committee beg to report the following Bills with certain amendments:—

Bill (No. 18), An Act respecting certain Churches therein named.

Bill (No. 24), An Act respecting the Essex Border Utilities Commission.

Bill (No. 29), An Act to incorporate the Christian and Missionary Alliance in Canada.

Bill (No. 57), An Act respecting the Town of Whitby.

Bill (No. 35), An Act respecting the Town of Hawkesbury.

Your Committee recommend that the fees, less the actual cost of printing, be remitted on Bill (No. 29), "An Act to incorporate the Christian and Missionary Alliance in Canada," on the ground that it is one relating to a religious institution.

Your Committee also recommend that notwithstanding Rule 51 of Your Honourable House the time for receiving Reports of Committees on Private Bills be extended to and inclusive of Thursday the ninth day of April.

Ordered, That the fees, less the actual cost of printing, be remitted on Bill (No. 29), To incorporate the Christian and Missionary Alliance in Canada.

Ordered, That the time for receiving Reports from Committees on Private Bills be extended to and inclusive of Thursday the ninth day of April, instant.

Mr. McKeown from the Standing Committee on Municipal Law presented their First Report which was read as follows and adopted:

Your Committee have carefully considered the following Bills and beg to report the same with certain amendments:—

Bill (No. 110), An Act to amend The Public Health Act.

Bill (No. 147), An Act to amend The Railway Employees and Commercial Travellers Voting Act, 1923.

Your Committee have carefully considered the following Bills and beg to report the same without amendment:—

Bill (No. 104), An Act to amend The Ontario Land Surveyors' Act.

Bill (No. 122), An Act to amend The Forest Fires Prevention Act, 1917.

Bill (No. 127), An Act to amend The Highway Traffic Act, 1923.

Bill (No. 133), An Act to amend The Factory, Shop and Office Building Act.

Bill (No. 119), An Act to amend The Pounds Act.

The following Bill was introduced and read the first time:—

Bill (No. 181), intituled "An Act to amend the Power Commission Act."
Mr. Cooke.

Ordered, That the Bill be read the second time To-morrow.

On motion of Mr. Price, seconded by Mr. Martin, *

Ordered, That this House do forthwith resolve itself into a Committee to consider certain proposed Resolutions respecting a tax on all beverages containing more than one *per cent.* by volume.

Mr. Ferguson acquainted the House that His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed Resolutions, recommends them to the consideration of the House.

The House then resolved itself into the Committee.

(In the Committee.)

Resolved: 1. That every purchaser shall pay to His Majesty for the uses of Ontario, a charge or tax at the rate of 10 cents *per* gallon on all beverages containing more than 1 *per cent.* by volume at 60° Fahrenheit of absolute alcohol and not more than 1½ *per cent.* by volume at 60° Fahrenheit of absolute alcohol.

2. That every purchaser of wine of any kind containing more than 1½ *per cent.* of volume at 60° Fahrenheit of absolute alcohol shall pay to His Majesty for the uses of Ontario a charge or tax at the rate of 50 cents *per* gallon on all such beverages purchased by him.

3. That every purchaser of a beverage other than those mentioned shall pay to His Majesty for the uses of Ontario a charge or tax at the rate of 5 cents *per* gallon on all such beverages purchased by him.

4. That such taxes be collected, accounted for and paid over to the Treasurer by such person as the Regulations may direct.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had come to certain Resolutions.

Ordered, That the Report be now received.

Mr. Jamieson (Grey) reported the Resolutions as follows:—

Resolved: 1. That every purchaser shall pay to His Majesty for the uses of Ontario, a charge or tax at the rate of 10 cents *per* gallon on all beverages containing more than 1 *per cent.* by volume at 60 degrees Fahrenheit of absolute alcohol and not more than 1½ *per cent.* by volume at 60 degrees Fahrenheit of absolute alcohol.

2. That every purchaser of wine of any kind containing more than 1½ *per cent.* by volume at 60 degrees Fahrenheit of absolute alcohol shall pay to His Majesty for the uses of Ontario a charge or tax at the rate of 50 cents *per* gallon on all such beverages purchased by him.

3. That every purchaser of a beverage other than those mentioned shall pay to His Majesty for the uses of Ontario a charge or tax at the rate of 5 cents *per* gallon on all such beverages purchased by him.

4. That such taxes be collected, accounted for and paid over to the Treasurer by such person as the Regulations may direct.

The Resolutions having been read the second time, were agreed to, and referred to the Committee of the Whole House on Bill (No. 176), to supplement the revenue of the Crown in the Province of Ontario.

The following Bills were severally read the second time:—

Bill (No. 171), To amend the Registry Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 172), To amend the Land Titles Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 173), To amend the Optometry Act, 1919.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 174), To amend the District of Cochrane Act, 1922.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 175), To amend the Horticultural Societies Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 176), To supplement the Revenue of the Crown in the Province of Ontario.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 135), To amend the County Courts Act.

Referred to the Legal Committee.

Bill (No. 21), Respecting the Town of Walkerville.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 22), Respecting the Town of Sandwich.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 38), Respecting the Town of Carleton Place.

Referred to a Committee of the Whole House To-morrow.

The House resolved itself into a Committee to consider Bill (No. 163), To amend the Workmen's Compensation Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 165), To amend the Highway Improvement Laws, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 167), To amend the Provincial Highways Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 134), To amend the Power Commission and Companies Transfer Act, 1924, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 161), To confirm an agreement between the Hydro-Electric Power Commission of Ontario, the City of Toronto and the Toronto Harbour Commissioners, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 145), To amend Surrogate Courts Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 168), To amend Corporations Tax Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House again resolved itself into a Committee to consider Bill (No. 96), To make further provision for Northern and Northwestern Ontario Development, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bili be read the third time To-morrow.

The House resolved itself into a Committee, severally to consider the following Bills:—

Bill (No. 56), Respecting the City of Hamilton.

Bill (No. 59), To enable the Executors of the late Edmund Boyd Osler to make a certain gift out of his estate for public purposes.

Bill (No. 58), To enable the Town of Brampton to sell houses erected by the Housing Commission at less than actual cost.

Mr. Speaker resumed the Chair; and Mr. Elliott reported, That the Committee had directed him to report the several Bills without amendments.

Ordered, That the Bills reported, be severally read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 153), The Ontario Temperance Amendment Act, 1925.

And the Committee having continued to sit until twelve o'clock midnight,

Friday, 3rd April, 1925.

The House continued in Committee, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. McKeown reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the amendments be taken into consideration forthwith.

The amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time at the next sittings of the House To-day.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Annual report of the Game and Fisheries Department, Ontario, 1924.
(*Sessional Papers*, No. 13.)

Also:

Report of the Secretary and Registrar of the Province of Ontario, with respect to the administration of the Ontario Companies Act, the Extra-Provincial Corporations Act, and the Mortmain and Charitable Uses Act, etc. (*Sessional Papers*, No. 70.)

The House then adjourned at 12.35 a.m.

Friday, April 3rd, 1925.

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Weichel, the Petition of Trinity Methodist Church, Kitchener; also, the Petition of the Epworth League of Christian Endeavour of Emmanuel Evangelical Church, Waterloo; also, the Petition of the Women's Missionary Society, Boyd Sunday School, Crosshill; also, the Petition of Kitchener Council No. 332, Royal Templars of Temperance; also, the Petition of the Ladies Aid

and Women's Missionary Society of the Evangelical Church, Waterloo; also, the Petition of the Methodist Church, Conestogo; also, the Petition of the Methodist Church, Elmira; also, the Petition of the Women's Christian Temperance Union, Waterloo.

Mr. McKeown from the Standing Committee on Municipal Law presented their Second Report, which was read as follows and adopted:—

Your Committee have carefully considered the following Bill and beg to report the same with certain amendments:

Bill (No. 105), An Act to amend the Hospitals and Charitable Institutions Act.

Your Committee have carefully considered the following Bill and beg to report the same without amendment:

Bill (No. 149), An Act to amend the Local Improvement Act.

Mr. Haney from the Standing Committee on Legal Bills presented their Second Report, which was read as follows and adopted:—

Your Committee have carefully considered the following Bills and report the same without amendment:

Bill (No. 144), To amend the Marriage Act.

Bill (No. 138), To amend the Ontario Insurance Act, 1924.

The following Bills were severally introduced and read the first time:—

Bill (No. 182), intituled "An Act to amend the Ontario Medical Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 183), intituled "The Drugless Practitioners Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 184), intituled "An Act to amend the Hydro-Electric Railway Act." *Mr. Cooke.*

Ordered, That the Bill be read the second time on Monday next.

Mr. Sangster asked the following Question:—

1. Has the Provincial Sanitary Engineer, F. A. Dallyn, accepted money from engineers or municipalities for any work done by him in connection with water supplies or sewage disposal work in the Province during the last seven years. If so, give dates, names of parties or municipalities from whom received and the amounts so received. 2. What work is Mr. Dallyn doing for engineers or municipalities at the present time with whom he has made arrangements to receive money, naming those engaging him and the amount of money expected to be received. 3. Is it the duty of Mr. Dallyn to pass upon the efficiency of plans for water supplies and sewage disposal. 4. Does Mr. Dallyn pass on the efficiency of plans drawn by himself or in connection out of which he has been paid fees. 5. Did Mr. Dallyn send a bill to East York Township in connection with plans submitted by that Municipality. If so, for what was such bill rendered. Did the Township ask Mr. Dallyn to render any services.

And the Minister of Health replied as follows:—

1. Mr. Dallyn originally entered the service as a part-time employee, supplementing his salary by giving professional advice on difficult sanitary problems, for which he has developed special qualifications, but it has been always understood that these services were rendered in his own time and did not conflict with his official duties. Details as to his professional earnings from time to time are not recorded in the Department, but instructions have been given to have a statement prepared which will be furnished to the Honourable Member asking the question, or any other Member of the Assembly desiring the same. 2. Advising the City of London re experimental sewage plans. Approximately \$300. 3. No; this authority is vested by Law in the Provincial Board of Health. 4. This is answered by the above reply. 5. Mr. Dallyn consulted with the engineers at the request of the Township, his fee being on a percentage basis.

Mr. Kemp asked the following Question:—

1. How much money did the Government of Ontario have on deposit in Toronto banks on 23rd of September, 1919. 2. In what banks was the money deposited and how much in each bank.

To which the Provincial Treasurer replied as follows:—

BANK	AMOUNT ON DEPOSIT INCLUDING SPECIAL AND CURRENT ACCOUNT
B.N.A.....	\$ 1,136 29
Commerce.....	1,923,702 06
Dominion.....	85,904 64
Hamilton.....	1,409 13
Home.....	3,100,912 76
Imperial.....	136,988 12
Merchants.....	211,303 44
Molsons.....	89,917 47 (Dr.)
Montreal.....	184,101 00

Montreal (Carlton Branch).....	4,881 04 (Dr.)
Nova Scotia.....	188,112 33
Ottawa.....	498,014 49
Royal.....	138,324 16
Standard.....	27,805 20
Sterling.....	5,791 77
Toronto.....	70,723 46
Union.....	731,125 80
Total.....	<u>\$7,198,972 60</u>

Mr. Kemp asked the following Question:—

1. Was anyone convicted at North Bay for transportation of liquor, by truck, during the month of December, 1924. 2. If so, was a fine imposed. 3. Has the fine been paid. 4. Was the liquor confiscated, and if not, why.

And the Attorney-General replied as follows:—

1. Upon making enquiry, no record of any such conviction can be found. 2. Answered by No. 1. 3. Answered by No. 1. 4. Answered by No. 1.

Mr. Homuth asked the following Question:—

1. When was the item, Labour Leader Publishing Co., \$570.00, on page L. 6 of the Public Accounts, 1924, paid.

And the Minister of Labour replied as follows:—

1. This item was paid during the fiscal year 1923-24 for advertising purposes, as follows:—December 5, 1923, \$10; December, 19, 1923, (Christmas special), \$100; January 5, 1924, \$10; February 5, 1924, 10; March 7, 1924, \$10; April 4, 1924, \$10; June 17, 1924, \$50; July 21, 1924, \$40; September 8, 1924, (Special Labour Day), \$150; September 11, 1924, (Special Labour Day), \$90; October 9, 1924, \$40; October 31, 1924, \$50—\$570.

Mr. Wallis asked the following Question:—

1. What amount of electric power has been exported annually in each of the years from 1918 to 1924, inclusive, by the Hydro-Electric Power Commission and companies controlled by it. 2. When will contract end, making exportation possible.

To which the Premier replied as follows:—

1.—

Statement showing the amount of electrical energy generated or produced for export, under the authority of the Electricity and Fluid Exportation Act.

Year ending March 31st	Units produced for export	
	Kw-hrs.	H.P. Years
1919.....Ontario Power Co.....	316,911,400	48,494
1920.....Ontario Power Co.....	319,362,000	48,736
1921.....Ontario Power Co.....	328,256,600	50,232
1922.....Ontario Power Co.....	304,244,400	46,453
Toronto Power Co.....	102,122,000	15,629
Total for 1922.....	406,366,400	62,082
1923.....Ontario Power Co.....	295,849,500	45,276
Toronto Power Co.....	103,922,550	15,895
Total for 1923.....	399,772,050	61,171
1924.....Ontario Power Co.....	341,323,900	52,204
Toronto Power Co.....	222,215,400	34,087
Total for 1924.....	563,539,300	86,291

2. Ontario Power Company purchased by the Hydro-Electric Power Commission, August 1st, 1917. Contract by Ontario Power Company for export of power expires April 1st, 1950. Toronto Power Company purchased by the Hydro-Electric Power Commission, December 1st, 1920. Contract by Toronto Power Company for export of power expires October 25th, 1925, or upon thirty days notice.

Mr. Raney asked the following Question:—

1. What amounts were wagered on the tracks of the different racing associations at their race meetings held, since and including, the year 1920, giving the amount for each meeting. 2. What amount of revenue was collected by the Government from each such meeting.

And the Provincial Treasurer replied as follows:—

1 and 2.—

The 5 *per cent.* Betting Tax came into force in 1922.

Track	Amount Wagered	
	1920	1921
Dufferin Racing Assoc.:		
Spring Meet.	\$1,185,102.00	\$2,399,640.00
Fall Meet.	1,029,620.00	2,613,757.00
Devonshire Park:		
Spring Meet.	2,026,102.00	3,525,327.00
Fall Meet.	3,607,770.00	3,920,381.00
Hamilton Jockey Club:		
Spring Meet.	2,038,906.00	3,466,644.00
Fall Meet.	2,080,509.00	2,973,540.00
Kenilworth Jockey Club:		
Spring Meet.	3,666,931.00	3,725,151.00
Fall Meet.	3,235,386.00	3,207,326.00
Niagara Racing Assoc.:		
Spring Meet.	2,323,017.00	3,303,962.00
Fall Meet.	3,191,630.00	4,077,344.00
Ontario Jockey Club:		
Spring Meet.	2,946,902.00	4,052,388.00
Fall Meet.	2,780,470.00	4,784,986.00
Windsor Jockey Club:		
Spring Meet.	3,854,955.00	3,856,820.00
Fall Meet.	3,964,422.00	4,363,057.00
Thorncliffe Racing Assoc.:		
Spring Meet.	2,125,857.00	3,261,682.00
Fall Meet.	2,106,967.00	3,246,591.00
	<u>\$42,164,546.00</u>	<u>\$56,778,596.00</u>

Year	Track	Amount Wagered	5 <i>per cent.</i> Betting Tax
1922, Spring. . .	Dufferin.	\$2,637,310.00	\$131,865.50
1922, Fall. . . .	Dufferin.	1,962,104.00	98,105.20
1922, Spring. . .	Devonshire Park.	2,256,319.10	112,815.95
1922, Fall. . . .	Devonshire Park.	2,007,414.00	100,307.70
1922, Spring. . .	Hamilton Jockey Club.	2,831,842.00	141,591.20
1922, Fall. . . .	Hamilton Jockey Club.	2,873,999.00	143,699.95
1922, Spring. . .	Kenilworth Jockey Club.	2,979,161.00	148,958.05
1922, Fall. . . .	Kenilworth Jockey Club.	1,650,511.00	82,525.55
1922, Spring. . .	Niagara Racing Assoc.	2,572,753.00	128,637.65
1922, Fall. . . .	Niagara Racing Assoc.	2,780,780.00	139,039.00
1922, Spring. . .	Ontario Jockey Club.	4,365,802.00	218,290.10
1922, Fall. . . .	Ontario Jockey Club.	3,611,611.00	180,583.05
1922, Spring. . .	Windsor Jockey Club.	3,387,851.00	169,392.55
1922, Fall. . . .	Windsor Jockey Club.	2,650,617.00	132,530.85
1922, Spring. . .	Thorncliffe.	3,418,310.00	170,915.50
1922, Fall. . . .	Thorncliffe.	2,257,806.00	112,890.30
		<u>\$44,244,190.10</u>	<u>\$2,212,148.10</u>

Year	Track	Amount Wagered	5 per cent. Betting Tax
1923 (1st), Fall.	Stamford Park.....	\$549,135.00	\$27,456.75
1923, Spring...	Dufferin.....	2,442,075.00	122,103.75
1923, Fall.....	Dufferin.....	2,123,904.00	106,195.20
1923, Spring...	Devonshire.....	1,736,777.00	86,838.85
1923, Fall.....	Devonshire.....	1,948,786.40	97,439.32
1923, Spring...	Hamilton Jockey Club.....	2,710,208.00	135,510.40
1923, Fall.....	Hamilton Jockey Club.....	2,473,319.00	123,665.95
1923, Spring...	Kenilworth Jockey Club.....	2,271,041.00	113,552.05
1923, Fall.....	Kenilworth Jockey Club.....	2,369,841.00	118,492.05
1923, Spring...	Niagara Racing Assoc.....	2,595,354.00	129,767.70
1923, Fall.....	Niagara Racing Assoc.....	2,624,405.00	131,220.25
1923, Spring...	Ontario Jockey Club.....	3,917,140.00	195,856.40
1923, Fall.....	Ontario Jockey Club.....	3,003,262.00	150,163.10
	Windsor Jockey Club held no meetings in 1923.		
1923, Spring...	Thorncliffe.....	2,978,494.00	148,924.70
1923, Fall.....	Thorncliffe.....	2,540,207.00	127,010.35
		<u>\$36,283,948.40</u>	<u>\$1,814,196.82</u>

Year	Track	Amount Wagered	5 per cent. Betting Tax
1924, Spring...	Stamford Park.....	\$864,204.00	\$43,210.20
1924, Fall.....	Stamford Park.....	744,789.00	37,235.45
1924, Spring...	Dufferin.....	2,156,552.00	107,827.60
1924, Fall.....	Dufferin.....	1,827,435.00	96,371.75
1924, Spring...	Devonshire.....	1,600,896.00	80,049.80
1924, Fall.....	Devonshire.....	1,582,797.00	79,139.85
1924, Spring...	Hamilton Jockey Club.....	2,015,478.00	100,773.90
1924, Fall.....	Hamilton Jockey Club.....	1,783,387.00	89,169.35
1924, Spring...	Kenilworth Jockey Club.....	1,946,716.00	97,335.80
1924, Fall.....	Kenilworth Jockey Club.....	1,653,534.00	82,676.70
1924, Spring...	Long Branch.....	1,826,402.00	91,320.10
1924, Fall.....	Long Branch.....	1,268,116.00	63,405.80
1924, Spring...	Niagara Racing Assoc.....	1,716,937.00	85,846.85
1924, Fall.....	Niagara Racing Assoc.....	1,691,502.00	84,575.10
1924, Spring...	Ontario Jockey Club.....	3,148,131.00	157,406.55
1924, Fall.....	Ontario Jockey Club.....	2,127,472.00	106,373.60
1924, Spring...	Windsor Jockey Club.....	2,265,314.00	113,265.70
1924, Fall.....	Windsor Jockey Club.....	1,930,716.00	96,535.80
1924, Spring...	Thorncliffe.....	2,398,251.00	119,912.55
1924, Fall.....	Thorncliffe.....	1,981,168.00	89,058.40
		<u>\$36,529,797.00</u>	<u>\$1,821,490.85</u>

On motion of Mr. Wallis, seconded by Mr. Tellier,

Ordered, That there be laid before the House a Return showing—1. What was the total expenditure on account of provincial highways from the inception of the Provincial Highways System up to December 31st, 1924. 2. Of the expenditure stated in reply to Question No. 1, what amounts have been refunded to Ontario by (a) county municipalities, (b) cities, (c) by the Dominion Government. 3. Of the expenditure stated in reply to Question No. 1, what amounts have been levied upon but remain unpaid by (a) county municipalities, (b) cities, and (c) the Dominion Government. 4. Of the expenditure stated in reply to Question No. 1, what further amounts will be levied upon (a) county municipalities, (b) cities, (c) the Dominion Government. 5. What is the total amount of expenditure on provincial highways remaining after all deductions, to be borne by the Provincial Government. 6. Of the expenditure stated in reply to Question No. 1, what amount was expended upon repair and maintenance, as distinguished from construction. 7. Of the expenditure stated in reply to Question No. 1, what amounts have been refunded to Ontario by (a) county municipalities, (b) cities, and (c) by the Dominion Government. 8. Of the expenditure stated in reply to Question No. 6, what amounts have been levied upon, but remain unpaid, by (a) county municipalities, (b) cities, and (c) the Dominion Government. 9. Of the expenditure stated in reply to Question No. 6, what further amounts will be levied upon (a) county municipalities, (b) cities, (c) the Dominion Government. 10. What is the total amount of expenditure on provincial highways for maintenance remaining after all deductions, to be borne by the Provincial Government. 11. Of the total expenditure by the Government upon highways in the Province of Ontario, what amount has been paid out of current revenue and what amount has been capitalized. 12. During the years 1921, 1922, 1923, what amount of the annual expenditure was paid out of revenue and what amount capitalized. 13. Against the capitalized debt in respect of the expenditure upon roads, have any sums been credited from any source whatsoever; if so, what amount, from what source. 14. Of the capitalized debt in respect of roads, has there been any scheme or plan to retire this debt by a sinking fund or by annual payments. If so, what is the amount of the annual payment at the present time necessary to retire this debt. If no such plan has been in operation, what would be the annual sum necessary to retire the Government's capital expenditure upon roads if such plan were adopted and over how many years would such plan run.

On motion of Mr. Heenan, seconded by Mr. Callan,

Ordered, That there be laid before the House a Return showing—1. How many timber areas have been disposed of by the present Government down to the date hereof (a) by way of permit, (b) by way of addition to areas previously disposed of, (c) by way of sale or tender. 2. To whom were these areas disposed of to. 3. What prices were received for the different kinds of wood and timber. 4. In how many of the above cases was there inserted in the contract a wage clause as provided by Resolution of this House adopted April 14th, 1924.

The following Bills were severally read the second time:—

Bill (No. 180), To amend the Ontario Companies Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 32), Respecting the Town of Hawkesbury.

Referred to a Committee of the Whole House on Monday next.

The House resolved itself into a Committee to consider Bill (No. 171), To amend the Registry Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. McKeown reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 172), To amend the Land Titles Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. McKeown reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 173), To amend the Optometry Act, 1919, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. McKeown reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 174), To amend the District of Cochrane Act, 1922, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. McKeown reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 175), To amend the Horticultural Societies Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. McKeown reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 102), To amend the Ontario Architects' Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. McKeown reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 111), To amend the Cemetery Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. McKeown reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 104), To amend the Ontario Land Surveyors' Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. McKeown reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 122), To amend the Forest Fires Prevention Act, 1917, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. McKeown reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 127), To amend the Highway Traffic Act, 1923, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. McKeown reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 133), To amend the Factory, Shop and Office Building Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. McKeown reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 119), To amend the Pounds Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. McKeown reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee, severally to consider the following Bills:—

Bill (No. 21), Respecting the Town of Walkerville.

Bill (No. 22), Respecting the Town of Sandwich.

Bill (No. 38), Respecting the Town of Carleton Place.

Mr. Speaker resumed the Chair; and Mr. McKeown reported, That the Committee had directed him to report the several Bills with amendments.

The amendments, having been read the second time, were agreed to.

Ordered, That the Bills reported, be severally read the third time on Monday next.

Mr. Belanger moved, seconded by Mr. Proulx,

That, in the opinion of this House, the Government should—1. Enact a regulation providing that in English-French schools, now in existence or hereafter established, the use and teaching of both the English and the French languages be conducted in accordance with the principles and methods applied in the schools of bilingual countries generally, and also recommended by several British educational conferences for application in the bilingual parts of the British Empire. 2. To provide for the adequate training of teachers for such schools.

And a Debate having ensued, it was

Ordered, That the Debate be adjourned until Monday next.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Annual report of the Minister of Mines. (*Sessional Papers, No. 4.*)

Also—Annual report of the Commissioner of the Ontario Provincial Police for year ending October 31st, 1924. (*Sessional Papers, No. 71.*)

The House then adjourned at 6.00 p.m.

Monday, April 6th, 1925.

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were brought up and laid upon the Table:—

By Mr. Keith, the Petition of the Prospect Park Senior Epworth League; also, the Petition of the Pine Orchard Union Sunday School; also, the Petition of the Shiloh Sunday School.

By Mr. Rankin, the Petition of the Inverary Methodist Sunday School.

By Mr. Sewell, the Petition of the Ladies' Aid Society of the Old Windham Methodist Church, also the Petition of the Auxiliary of the Women's Missionary Society of the Old Windham Methodist Church.

By Mr. Gray, the Petition of the Saint Lawrence Lodge, No. 346, L.O.B.A., Lansdowne.

By Mr. Jamieson (Grey), the Petition of the Farmers' Club of Keady.

By Mr. Chambers (Oxford), the Petition of the Young People's League, Delmer Methodist Church; also, the Petition of the Young People's Union, Oxford Street Baptist Church, Woodstock; also, the Petition of the Salford Methodist Sunday School; also, the Petition of the Foldens Epworth League; also, the Foldens Methodist Church; also, the Petition of the Foldens Methodist Sunday School.

The following Petitions were read and received:—

Of the Trinity Methodist Church, Kitchener; also, of the Epworth League of Emanuel Methodist Church, Waterloo; also, of the Women's Missionary Society and Boyd Sunday School, Crosshill; also, of the Kitchener Council, Royal Templars of Temperance, No. 332; also, of the Ladies' Aid and Women's Missionary Society of the Evangelical Church, Waterloo; also, of the Methodist Church, Conestoga; also, of the Methodist Church, Elmira; also, of the Women's Christian Temperance Union, Waterloo; also, of the Methodist Sunday School, Teeterville, severally praying that no amendments be made to the Ontario Temperance Act except to add to its prohibitive provisions.

Mr. Black, from the Committee on Fish and Game, presented their Report, which was read. (*Appendix No. 2.*)

Mr. McKeown, from the Standing Committee on Municipal Law, presented their Third Report, which was read as follows and adopted:—

Your Committee have carefully considered Bills (Nos. 82, 83, 88, 90, 92, 94, 95, 103, 106, 112, 126, 130, 132, 137, 141 and 142), To amend the Municipal Act, and such of their provisions as have been approved of have been embodied in a Bill intituled "The Municipal Amendment Act, 1925."

Your Committee have carefully considered Bills (Nos. 83 and 152), To amend the Assessment Act, and such of their provisions as have been approved of have been embodied in a Bill intituled "The Assessment Amendment Act, 1925."

The following Bills were severally introduced and read the first time:—

Bill (No. 186), intituled "An Act to amend the Highway Traffic Act."

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 187), intituled "The Municipal Amendment Act, 1925." *Mr. McKeown*.

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 188), intituled "The Assessment Amendment Act, 1925." *Mr. McKeown*.

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 185), intituled "An Act respecting Public Service Works on Highways." *Mr. Henry*.

Ordered, That the Bill be read the second time To-morrow.

The following Bills were severally read the second time:—

Bill (No. 35), Respecting the Town of Hawkesbury.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 24), Respecting the Essex Border Utilities Commission.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 29), To incorporate the Christian and Missionary Alliance in Canada.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 57), Respecting the Town of Whitby.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 169), To amend the Cemetery Act.

Referred to the Legal Committee.

On motion of Mr. Ferguson, seconded by Mr. Nickle,

Ordered, That this House do forthwith resolve itself into a Committee to consider certain proposed Resolution respecting the salaries of the members of the Executive Council.

Mr. Ferguson acquainted the House that His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed Resolution, recommends it to the consideration of the House.

The House then resolved itself into the Committee.

(In the Committee.)

Resolved, That in lieu of the provision made for the salaries of the Ministers, members of the Exécutive Council, as set out in the Executive Council Act, the salary of \$8,000 shall hereafter be payable to each of such ministers, and the member of the Executive Council holding the recognized position of First Minister shall receive an additional sum of \$4,000 *per* annum, said salaries to be payable as from the first day of November, 1924.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had come to a certain Resolution.

Ordered, That the Report be now received.

Mr. Jamieson (Grey) reported the Resolution as follows:—

Resolved, That in lieu of the provision made for the salaries of the Ministers, members of the Executive Council, as set out in the Executive Council Act, the salary of \$8,000 shall hereafter be payable to each of such ministers, and the member of the Executive Council holding the recognized position of First Minister shall receive an additional sum of \$4,000 *per* annum, said salaries to be payable as from the first day of November, 1924.

The Resolution having been read the second time, was agreed to, and referred to the Committee of the Whole House on Bill (No. 177), To amend the Executive Council Act.

On motion of Mr. Ferguson, seconded by Mr. Nickle,

Ordered, That this House do forthwith resolve itself into a Committee to consider certain proposed Resolution respecting the Members' Indemnity.

Mr. Ferguson acquainted the House that His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed Resolution, recommends it to the consideration of the House.

The House then resolved itself into the Committee.

(In the Committee.)

Resolved, That the indemnity payable to each member for attendance at the Assembly be increased from \$1,400 to \$2,000, such increased sum to be payable out of the appropriation for Legislation and to be payable as from the 10th day of February, 1925.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had come to a certain Resolution.

Ordered, That the Report be now received.

Mr. Jamieson (Grey) reported the Resolution as follows:—

Resolved, That the indemnity payable to each member for attendance at the Assembly be increased from \$1,400 to \$2,000, such increased sum to be payable out of the appropriation for Legislation and to be payable as from the 10th day of February, 1925.

The Resolution having been read the second time, was agreed to, and referred to the Committee of the Whole House on Bill (No. 178), To amend the Legislative Assembly Act.

The following Bills were then read the second time:—

Bill (No. 177), To amend the Executive Council Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 178), To amend the Legislative Assembly Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 179), To provide for Township Boards for Public School Trustees.
Referred, for consideration, to the public at large.

Bill (No. 181), To amend the Power Commission Act.
Referred to a Committee of the Whole House To-morrow.

Bill (No. 182), To amend the Ontario Medical Act.
Referred to a Committee of the Whole House To-morrow.

Bill (No. 183), The Drugless Practitioners Act.
Referred to a Committee of the Whole House To-morrow.

Bill (No. 184), To amend the Hydro-Electric Railway Act, 1914.
Referred to a Committee of the Whole House To-morrow.

The House, according to Order, again resolved itself into the Committee of Supply.

(In the Committee.)

Resolved, That there be granted to His Majesty, for the services of 1925, the following sums:—

131. To defray the expenses of the Prime Minister's Department.....	\$1,600,000 00
132. To defray the expenses of the Legislation.....	77,850 00
133. To defray the expenses of the Attorney-General's Department.....	6,000 00
134. To defray the expenses of the Education Department.....	1,639,664 25
135. To defray the expenses of the Lands and Forests Department.....	27,000 00
136. To defray the expenses of the Public Works Department.....	278,014 02
137. To defray the expenses of the Department of Public Highways.....	4,279 14
138. To defray the expenses of the Department of Health.....	9,500 00

139. To defray the expenses of the Department of Labour.....	\$100,000 00
140. To defray the expenses of the Provincial Treasurer's Department.....	4,865 45
141. To defray the expenses of the Provincial Secretary's Department.....	63,000 00
142. To defray the expenses of the Agriculture Department.....	5,650 00
143. To defray the expenses of the Miscellaneous.....	25,000 00

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had come to several Resolutions; also, That the Committee had directed him to ask for leave to sit again.

Ordered, That the Report be received forthwith.

Resolved, That the Committee have leave to sit again To-morrow.

Mr. Jamieson (Grey) reported the following Resolutions from the Committee of Supply:—

131. *Resolved*, That a sum not exceeding One million six hundred thousand dollars be granted to His Majesty to defray the expenses of the Prime Minister's Department, for the year ending 31st October, 1925.

132. *Resolved*, That a sum not exceeding Seventy-seven thousand eight hundred and fifty dollars be granted to His Majesty to defray the expenses of Legislation, for the year ending 31st October, 1925.

133. *Resolved*, That a sum not exceeding Six thousand dollars be granted to His Majesty to defray the expenses of the Attorney-General's Department, for the year ending 31st October, 1925.

134. *Resolved*, That a sum not exceeding One million six hundred and thirty-nine thousand six hundred and sixty-four dollars and twenty-five cents be granted to His Majesty to defray the expenses of Education Department, for the year ending 31st October, 1925.

135. *Resolved*, That a sum not exceeding Twenty-seven thousand dollars be granted to His Majesty to defray the expenses of Lands and Forests Department, for the year ending 31st October, 1925.

136. *Resolved*, That a sum not exceeding Two hundred and seventy-eight thousand and fourteen dollars and two cents be granted to His Majesty to defray the expenses of Public Works Department, for the year ending 31st October, 1925.

137. *Resolved*, That a sum not exceeding Four thousand two hundred and seventy-nine dollars and fourteen cents be granted to His Majesty to defray the expenses of Highways Department, for the year ending 31st October, 1925.

138. *Resolved*, That a sum not exceeding Nine thousand five hundred dollars be granted to His Majesty to defray the expenses of Health Department, for the year ending 31st October, 1925.

139. *Resolved*, That a sum not exceeding One hundred thousand dollars be granted to His Majesty to defray the expenses of Labour Department, for the year ending 31st October, 1925.

140. *Resolved*, That a sum not exceeding Four thousand eight hundred and sixty-five dollars and forty-five cents be granted to His Majesty to defray the expenses of the Provincial Treasurer's Department, for the year ending 31st October, 1925.

141. *Resolved*, That a sum not exceeding Sixty-three thousand dollars be granted to His Majesty to defray the expenses of the Provincial Secretary's Department, for the year ending 31st October, 1925.

142. *Resolved*, That a sum not exceeding Five thousand six hundred and fifty dollars be granted to His Majesty to defray the expenses of Agriculture Department, for the year ending 31st October, 1925.

143. *Resolved*, That a sum not exceeding Twenty-five thousand dollars be granted to His Majesty to defray miscellaneous expenses, for the year ending 31st October, 1925.

The several Resolutions, having been read the second time were concurred in.

Mr. Ferguson delivered to Mr. Speaker a message from the Lieutenant-Governor, signed by himself; and the said message was read by Mr. Speaker, and is as follows:—

H. COCKSHUTT.

The Lieutenant-Governor transmits Estimates of certain sums required for the service of the Province for the year ending 31st October, 1926, and recommends them to the Legislative Assembly.

GOVERNMENT HOUSE,
Toronto, April 6th, 1925.

(*Sessional Papers*, No. 2.)

Ordered, That the message of the Lieutenant-Governor, together with the estimates accompanying the same, be referred to the Committee of Supply.

The House resolved itself into a Committee to consider Bill (No. 63), To amend the Natural Gas Conservation Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Black reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 164), Respecting Natural Gas, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Black reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The Order of the Day for resuming the Adjourned Debate on the Motion *in re* Bilingualism in Schools, having been read,

The Debate was resumed.

And the House having continued to sit until Twelve of the Clock midnight,

Tuesday, 7th April, 1925.

The Debate continued and, after some time,

The motion was, by leave of the House, withdrawn.

The House then adjourned at 12.25 a.m.

Tuesday, April 7th, 1925.

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were brought up and laid upon the Table:—

By Mr. Raney, the Petition of the Women's Christian Temperance Union, Rockwood.

By Mr. Mewhinney, the Petition of the Young People's League, Methodist Church, Underwood.

By Mr. Stedman, the Petition of the Young People's Union, Baptist Church, Smith's Falls.

The following Petitions were read and received:—

Of the Prospect Park Senior Epworth League; also, of the Pine Orchard Union Sunday School; also, of the Shiloh Sunday School; also, of the Inverary Methodist Sunday School; also, of the Ladies' Aid Society of the Old Windham Methodist Church; also, of the Auxiliary of the Women's Missionary Society of the Old Windham Methodist Church; also, of the Saint Lawrence Lodge, No. 346, L.O.B.A., Lansdowne; also, of the Farmers' Club of Keady; also, of the Young People's League, Delmer Methodist Church; also, of the Young People's Union, Oxford Street Baptist Church, Woodstock; also, of the Salford Methodist Sunday School; also, of the Foldens Epworth League; also, of the Foldens Methodist Church; also, of the Foldens Methodist Sunday School; severally praying that no amendments be made to the Ontario Temperance Act except to add to its prohibitory provisions.

Mr. Nickle, from the Standing Committee on Private Bills, presented their Tenth Report, which was read as follows and adopted:—

Your Committee beg to report the following Bills without amendment:—

Bill (No. 12), An Act respecting the City of Sarnia.

Bill (No. 25), An Act respecting the City of Windsor.

Bill (No. 36), An Act respecting the Town of Timmins.

Bill (No. 45), An Act respecting the City of Sault Ste. Marie.

Bill (No. 143), An Act to amend the Ottawa Civic Hospital Act.

Your Committee beg to report the following Bills with certain amendments:—

Bill (No. 15), An Act to authorize the Trustees of the Toronto General Burying Grounds to acquire and hold additional lands in the County of York.

Bill (No. 47), An Act to incorporate the Ottawa Charitable Foundation.

Bill (No. 48), An Act respecting the City of Ottawa.

Bill (No. 50), An Act respecting the Town of Sudbury.

Bill (No. 52), An Act respecting the Town of Kapuskasing.

Bill (No. 54), An Act respecting Saint Michael's Cemetery in the City of Toronto.

Bill (No. 42), An Act respecting the Township of East York.

Your Committee recommend that the fees, less the actual cost of printing, be remitted on Bill (No. 3), "An Act to amend the Act respecting the Town of Ojibway to provide for the separation of the said Town from the County of Essex for municipal purposes"; Bill (No. 23), "An Act respecting the Town of Tecumseh"; Bill (No. 27), "An Act to separate the Town of Ford City from the County of Essex"; and Bill (No. 14), "An Act to separate the Town of Riverside from the County of Essex," the same having been withdrawn by the promoters thereof.

Your Committee also recommend that the fees, less the actual cost of printing, be remitted on Bill (No. 20), "An Act to incorporate the Anglican Church Mutual Fire Insurance Company," and on Bill (No. 43), "An Act to incorporate the Barbers of the Province of Ontario," on the ground that the same were not approved of by the Committee.

Your Committee also recommend that the fees, less the actual cost of printing, be remitted on Bill (No. 47), "An Act to incorporate the Ottawa Charitable Foundation," on Bill (No. 54), "An Act respecting Saint Michael's Cemetery," and on Bill (No. 143), "An Act to amend the Ottawa Civic Hospital Act," on the ground that they all relate to charitable institutions.

Ordered, That the fees, less the actual cost of printing, be remitted on Bills (No. 3), Ojibway; Bill (No. 23), Town of Tecumseh; Bill (No. 27), Ford City; Bill (No. 14), Riverside, the same having been withdrawn by the promoters thereof. Also, on Bill (No. 20), Anglican Church Mutual Fire Insurance Company, and on Bill (No. 43), To incorporate the Barbers, on the ground that the

same were not approved of by the Committee. Also, on Bill (No. 47), Ottawa Charitable Foundation, and on Bill (No. 54), Saint Michael's Cemetery, as they relate to charitable institutions, and Bill (No. 143), Respecting the Ottawa Civic Hospital.

Mr. Gray, from the Standing Committee on Railways, presented their First Report, which was read as follows and adopted:—

Your Committee have carefully considered the following Bills and have prepared certain amendments thereto respectively:—

Bill (No. 55), To incorporate the Duluth and Ontario Railway Company.

Bill (No. 121), To incorporate the Parry Sound and Northern Ontario Railway Company.

The House resolved itself into a Committee to consider Bill (No. 180), To amend the Ontario Companies Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 177), To amend the Executive Council Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 178), To amend the Legislative Assembly Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 181), To amend the Power Commission Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 182), To amend the Ontario Medical Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 183), The Drugless Practitioners Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 147), To amend the Railway Employees and Commercial Travellers Voting Act, 1923, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 149), To amend the Local Improvement Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 110), To amend the Public Health Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. MacDiarmid reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 138), To amend the Ontario Insurance Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. MacDiarmid reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 124), To amend the Marriage Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Rankin reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 176), To supplement the Revenue of the Crown in the Province of Ontario, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Rankin reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee, severally to consider the following Bills:—

Bill (No. 32), Respecting the Town of Hawkesbury.

Bill (No. 35), Respecting the Town of Hawkesbury.

Bill (No. 24), Respecting the Essex Border Utilities Commission.

Bill (No. 29), To incorporate the Christian and Missionary Alliance in Canada.

Bill (No. 57), Respecting the Town of Whitby.

Mr. Speaker resumed the Chair; and Mr. MacDiarmid reported, That the Committee had directed him to report the several Bills without amendments.

Ordered, That the Bills reported, be severally read the third time To-morrow.

The following Bills were severally read the second time:—

Bill (No. 185), Respecting Public Service Works on Highways.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 186), To amend the Highway Traffic Act, 1923.

Referred to a Committee of the Whole House To-morrow.

The following Bill was introduced and read the first time:—

Bill (No. 189), intituled "An Act to amend the Interpretation Act." *Mr. Nickle*.

Ordered, That the Bill be read the second time To-morrow.

On motion of Mr. Ferguson, seconded by Mr. Price, it was

Ordered, That the Standing Committee on Public Accounts have leave to sit and carry on its business concurrently with the Sittings of the House.

The Order of the Day for the second reading of Bill (No. 18), Respecting certain Churches therein named, having been read,

Mr. Rankin moved,

That the Bill be now read the second time.

Mr. Currie moved in amendment, seconded by Mr. Brackin,

That the Bill be not now read the second time but be referred to the Private Bills Committee for consideration, the hearing of those for and against the Bill and report to the House.

And, after some time,

The amendment was, by leave of the House, withdrawn.

The main motion having been then again proposed was carried, and the Bill was then read the second time and referred to a Committee of the Whole House To-morrow.

Mr. Currie from the Standing Committee on Printing then presented their First Report which was read as follows:—

The Standing Committee on Printing held its First Meeting, on March 24th, 1925, in the office of the King's Printer, at 2 p.m., the following members present: Messrs. Hon. Dr. Carr, Currie, Fallis, Gray, Irvine, Jamieson (Grey), Lewis, Proulx, Stedman, Wigle and Willson (Niagara Falls).

By the unanimous vote of the committee Col. J. A. Currie was re-elected Chairman.

The Committee ordered the King's Printer to procure for the members of the Legislature to the number of 115 copies the following publications:—

The Story of Canada.

The Canadian Annual Review.

Heaton's Handbook.

Mr. Horace Wallis, of the Premier's Department, reported that acting under the Premier's instructions he had arranged with a number of the departments for curtailment of reports as recommended by the Printing Committee last Session.

As some of the revised reports are now being printed it was not possible as yet to state definitely the result of the revision. He reported, however, that thirteen reports which formerly consisted of 2,824 pages are now contained in 1,586 pages. This indicated a reduction in these reports equal to about forty-three per cent.

If it were found possible to make an average reduction of forty per cent., the saving in printing of reports alone, not considering postage and other expenses, would be some \$28,000.

The Chairman suggested that the above report be printed but no action was taken by the Committee.

The Committee ordered departmental reports and sessional papers printed in the quantities named below, and in cases where printing has been done for the year concurred therein:—

	<i>Ordered</i>	
1. Public Accounts.....	3,450	
2. Estimates.....	1,700	
3. Report Lands and Forests.....	2,200	
4. Report Department of Mines.....		
5. Report Inspector of Division Courts....	700	
6. Report Inspector of Legal Offices.....		Not to print
7. Report Inspector of Registry Offices....		Number not determined
8. Report Municipal Auditor.....	2,000	
9. Report Queen Victoria Park Com- mission.....		300 (to be paid for by Commission)
10. Insurance and Friendly Societies.....		Report not received
11. Loan Corporations.....		" " "
12. Department Public Works.....		" " "
13. Department Game and Fisheries.....		" " "
14. Highway Improvement.....		Not to print
15. Department of Labour.....	1,000	
16. Department of Education.....		Number to be determined
17. Toronto University.....	1,000	
18. Secretary and Registrar.....		Not to print
19. Births, Marriages and Deaths.....	2,000	
20. Board of Health.....		Number to be determined
21. Hospitals, Insane and Feeble.....	1,000	
22. Board of Parole.....		Not to print
23. Hospitals and Charitable Institutions...		Report not received
24. Prisons and Reformatories.....		" " "
25. Neglected Children.....		Not to print
26. Ontario Temperance Act.....		Number not determined
27. Agricultural Department.....		Report not received
28. Agricultural College.....		" " "
29. Agricultural and Experimental Union...	65,000	
30. Vegetable Growers.....	6,000	(not presented to House)
31. Entomological Society.....		Not to print
32. Bee Keepers' Association.....		Number to be determined
33. Dairymen's Association.....		" " " "
34. Livestock Branch.....		" " " "
35. Municipal Affairs and Housing.....		" " " "
36. Women's Institutes.....		" " " "
37. Agricultural Societies and Fall Fairs...		" " " "
38. Horticultural Society.....		" " " "
39. Fruit Growers' Association.....		" " " "
40. Statistics Branch Department of Agri- culture.....		" " " "

Ordered

41. T. & N. O. Railway Commission.	1,000	
42. Library Report.		Not to print
43. Ontario Railway and Municipal Board..		Number not determined
44. Election June, 1924.	900	
45. Archives and Public Records.		Not to print
46. Hydro-Electric Power Commission.	5,200	
47. Provincial Auditor's Report.	1,000	
48. Workmen's Compensation Board Report		(Stand)
49. Ontario Veterinary College.	3,700	
50. Return of Plebiscite.	3,700	
51. Copies of Regulations required under Education Act, section 27.		Not to print
52. Municipal Waterworks and Gas System.		" " "
53. Return of contracts between Treasurer and Provincial Securities.		" " "
54. Return re Whitefish Bay.		" " "
55. Return re number civil servants.		" " "
56. Return re Legislative grants to rural and public schools.		(Stand)
57. Return re correspondence re plebiscite.		Not to print
58. Report Ontario Athletic Commission.		" " "
59. Report extra mural employment of sentenced persons.		" " "
60. Children's Protective Act.		" " "
61. Public Service Superannuation Board.		" " "
62. Report Revised Statutes.		" " "
63. Report Minimum Wage Board.	2,000	
64. Fourth Annual Report Minimum Wage Board.		(Number to be decided)
65. Return of agreement between Govern- ment and J. J. Carrick.		Not to print
66. Agricultural Development Board, 1924		(additional numbers to be printed)

The Chairman drew the attention of the Committee to the fact that many departments were now using mimeograph and multigraph machines for publications running over 100 pages. The Chairman thought that this method of production was too dear and was supported by the King's Printer. The Committee appointed Mr. C. C. Hele, General Secretary, Horace Wallis, Deputy to the Premier, and Clarkson W. James, King's Printer, to look into the matter and report on the situation.

The Committee adjourned until the call of the chair.

Resolved, That the House doth concur in the foregoing Report.

The House, according to Order, again resolved itself into the Committee of Supply.

(*In the Committee.*)

Resolved, That there be granted to His Majesty, for the services of 1926, the following sums:—

1. To defray the expenses of the Lieutenant-Governor's Office.....	\$5,450 00
2. To defray the expenses of the Prime Minister's Department—Civil Government.....	37,775 00
3. To defray the expenses of the Hydro-Electric Power Commission.....	15,520,000 00
4. To defray the expenses of the Rural Primary and Secondary Lines.....	500,000 00
5. To defray the expenses of the Legislation.....	397,150 00
6. To defray the expenses of the Attorney-General's Department—Civil Government.....	162,875 00
7. To defray the expenses of the Administration of Justice—Supreme Court of Ontario.....	109,400 00
8. To defray the expenses of the Sundry Civil and Criminal Justice.....	1,414,655 00
9. To defray the expenses of the Administration of Justice in Districts.....	261,510 00
10. To defray the expenses of the Miscellaneous Services	130,500 00
11. To defray the expenses of the Insurance Department.....	45,775 00
12. To defray the expenses of the Education Department—Civil Government.....	88,550 00
13. To defray the expenses of the Public and Separate School Education.....	4,532,315 00
14. To defray the expenses of the Toronto Normal and Model Schools.....	154,295 00
15. To defray the expenses of the Ottawa Normal and Model Schools.....	98,700 00
16. To defray the expenses of the London Normal School.....	56,500 00

17. To defray the expenses of the Hamilton Normal School.....	\$44,070 00
18. To defray the expenses of the Peterborough Normal School.....	40,850 00
19. To defray the expenses of the Stratford Normal School.....	40,450 00
20. To defray the expenses of the North Bay Normal School.....	113,050 00
21. To defray the expenses of the English-French Professional Training Schools.....	136,480 00

And the Committee having continued to sit until Twelve of the Clock midnight,

Wednesday, 8th April, 1925.

The House continued in Committee and the following items were passed:

22. To defray the expenses of the High Schools and Collegiate Institutes.....	\$329,550 00
23. To defray the expenses of the Departmental Museum	13,400 00
24. To defray the expenses of the Public Libraries, Art Schools, etc.....	116,900 00
25. To defray the expenses of the Technical Education..	882,400 00
26. To defray the expenses of the Superannuated Public and High Schools Teachers.....	50,150 00
27. To defray the expenses of the Provincial and other Universities.....	205,485 00
28. To defray the expenses of the Belleville School for the Deaf.....	138,470 00

29. To defray the expenses of the Brantford School for the Blind.....	\$99,790 00
30. To defray the expenses of the Monteith Northern Academy.....	88,490 00
31. To defray the expenses of the Miscellaneous.....	60,000 00
32. To defray the expenses of the Lands and Forests Department—Civil Government.....	250,475 00
33. To defray the expenses of the Miscellaneous Services.	1,832,050 00
34. To defray the expenses of the Colonization Roads..	557,300 00
35. To defray the expenses of the Mines Department—Civil Government.....	170,500 00
36. To defray the expenses of the Miscellaneous Services.	177,150 00
37. To defray the expenses of the Game and Fisheries Department—Civil Government.....	47,500 00
38. To defray the expenses of the Miscellaneous Services.	354,875 00
39. To defray the expenses of the Public Works Department—Civil Government.....	86,200 00
40. To defray the expenses of the Maintenance and Repairs of Government Buildings: Government House.	48,925 00
41. To defray the expenses of the Parliament and Departmental Buildings.....	438,996 35
42. To defray the expenses of the Osgoode Hall.....	67,005 00
43. To defray the expenses of the Educational Buildings.	20,110 00
44. To defray the expenses of the Agricultural Buildings.	14,000 00
45. To defray the expenses of the District Buildings....	10,800 00
46. To defray the expenses of the Miscellaneous.....	86,400 00
47. To defray the expenses of the Public Works and Bridges.....	161,500 00
48. To defray the expenses of the Public Buildings—Parliament Buildings.....	500,000 00
49. To defray the expenses of the Public Institutions Buildings.....	307,000 00

50. To defray the expenses of the Educational Buildings.	\$50,000 00
51. To defray the expenses of the District Buildings. . . .	25,000 00
52. To defray the expenses of the Miscellaneous.	155,000 00
53. To defray the expenses of the Highways Department—Civil Government.	255,250 00
54. To defray the expenses of the Miscellaneous Services.	168,450 00
55. To defray the expenses of the Health Department—Civil Government.	268,940 00
56. To defray the expenses of the Miscellaneous Services.	419,200 00
57. To defray the expenses of the Labour Department—Civil Government.	179,975 00
58. To defray the expenses of the Miscellaneous Services.	2,109,930 00
59. To defray the expenses of the Provincial Treasurer's Department—Civil Government.	108,150 00
60. To defray the expenses of the Succession Duties Branch.	102,300 00
61. To defray the expenses of the Amusement Branches.	125,000 00
62. To defray the expenses of the Board of Censors of Moving Pictures.	24,350 00
63. To defray the expenses of the Motion Picture Bureau.	91,350 00
64. To defray the expenses of the King's Printer's Office.	35,700 00
65. To defray the expenses of the Fire Marshal's Office..	77,650 00
66. To defray the expenses of the Office of Law Stamp Distributor.	3,500 00
67. To defray the expenses of the Department of Public Records and Archives.	19,500 00
68. To defray the expenses of the House Post Office. . . .	18,250 00
69. To defray the expenses of the General Post Office..	198,650 00
70. To defray the expenses of the Provincial Auditor's Office.	87,075 00

71. To defray the expenses of the Provincial Secretary's Department—Civil Government.....	\$275,175 00
72. To defray the expenses of the Miscellaneous Services.....	9,300 00
73. To defray the expenses of the Hospitals and Charities.....	1,320,400 00
74. To defray the expenses of the Public Institutions— Ontario Hospital, Brockville.....	328,122 00
75. To defray the expenses of the Public Institutions— Ontario Hospital, Cobourg.....	132,550 00
76. To defray the expenses of the Public Institutions— Ontario Hospital, Hamilton.....	410,000 00
77. To defray the expenses of the Public Institutions— Ontario Hospital, Kingston.....	263,230 00
78. To defray the expenses of the Public Institutions— Ontario Hospital, London.....	435,030 00
79. To defray the expenses of the Public Institutions— Ontario Hospital, Mimico.....	250,030 00
80. To defray the expenses of the Public Institutions— Ontario Hospital, Orillia.....	297,602 00
81. To defray the expenses of the Public Institutions— Ontario Hospital, Penetanguishene.....	132,940 00
82. To defray the expenses of the Public Institutions— Ontario Hospital, Toronto.....	344,732 00
83. To defray the expenses of the Public Institutions— Ontario Hospital, Whitby.....	426,519 00
84. To defray the expenses of the Public Institutions— Ontario Hospital, Woodstock.....	88,931 00
85. To defray the expenses of the Public Institutions— Ontario Reformatory, Guelph.....	301,010 00
86. To defray the expenses of the Public Institutions— Ontario Reformatory Industries.....	227,800 00
87. To defray the expenses of the Public Institutions— Mercer Reformatory, Toronto.....	80,075 00
88. To defray the expenses of the Public Institutions— Mercer Reformatory Industries.....	10,000 00

89. To defray the expenses of the Public Institutions— Industrial Farm, Burwash.....	\$240,550 00
90. To defray the expenses of the Public Institutions— Industrial Farm, Fort William.....	35,820 00
91. To defray the expenses of the Public Institutions— Toronto Reception Hospital.....	50,000 00
92. To defray the expenses of the Miscellaneous.....	70,400 00
93. To defray the expenses of the Agriculture Depart- ment—Civil Government.....	132,075 00
94. To defray the expenses of the Agricultural and Horticultural Societies.....	213,950 00
95. To defray the expenses of the Live Stock Branch...	141,450 00
96. To defray the expenses of the Institutes.....	57,800 00
97. To defray the expenses of the Dairy Branch.....	212,500 00
98. To defray the expenses of the Fruit Branch.....	89,300 00
99. To defray the expenses of the Agricultural Represen- tatives Branch.....	355,500 00
100. To defray the expenses of the Kempville Agricul- tural School.....	64,000 00
101. To defray the expenses of the Ontario Veterinary College.....	37,550 00
102. To defray the expenses of the Western Ontario Experimental Farm.....	23,000 00
103. To defray the expenses of the Miscellaneous.....	185,600 00
104. To defray the expenses of the Ontario Agri- cultural College—Administration, Maintenance and Teaching.....	346,640 00
105. To defray the expenses of the MacDonald Institute and Hall.....	58,362 00
106. To defray the expenses of the Forestry.....	1,000 00
107. To defray the expenses of the Animal Husbandry, Farm and Experimental Feeding Department.....	38,260 00
108. To defray the expenses of the Field Experiments..	21,910 00

109. To defray the expenses of the Experimental Dairy Department.....	\$14,900 00
110. To defray the expenses of the Dairy School.....	9,350 00
111. To defray the expenses of the Poultry Department.	34,183 00
112. To defray the expenses of the Horticultural Department.....	31,950 00
113. To defray the expenses of the Apiculture Department	12,700 00
114. To defray the expenses of the Bacteriology.....	4,700 00
115. To defray the expenses of the Botany.....	4,800 00
116. To defray the expenses of the Chemistry.....	18,170 00
117. To defray the expenses of the Entomology.....	5,225 00
118. To defray the expenses of the English.....	1,340 00
119. To defray the expenses of the Manual Training....	3,600 00
120. To defray the expenses of the Physics.....	19,020 00
121. To defray the expenses of the Farm Economics....	22,000 00
122. To defray the expenses of the Extension.....	8,960 00
123. To defray the expenses of the Colonization.....	198,300 00
124. To defray the expenses of the Miscellaneous.....	195,000 00

Mr. Speaker resumed the Chair; and Mr. Black reported, That the Committee had come to several Resolutions.

Ordered, That the Report be received forthwith.

Mr. Black, from the Committee of Supply, reported the following Resolutions:—

1. *Resolved*, That a sum not exceeding Five thousand four hundred and fifty dollars be granted to His Majesty to defray the expenses of Lieutenant-Governor's office, for the year ending 31st October, 1926.

2. *Resolved*, That a sum not exceeding Thirty-seven thousand seven hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Civil Government (Prime Minister's Department), for the year ending 31st October, 1926.

3. *Resolved*, That a sum not exceeding Fifteen millions five hundred and twenty thousand dollars be granted to His Majesty to defray the expenses of Hydro-Electric Power Commission, for the year ending 31st October, 1926.

4. *Resolved*, That a sum not exceeding Five hundred thousand dollars be granted to His Majesty to defray the expenses of Bonuses to Rural, Primary and Secondary Transmission Lines, for the year ending 31st October, 1926.

5. *Resolved*, That a sum not exceeding Three hundred and ninety-seven thousand one hundred and fifty dollars be granted to His Majesty to defray the expenses of Legislation, for the year ending 31st October, 1926.

6. *Resolved*, That a sum not exceeding One hundred and sixty-two thousand eight hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Civil Government (Attorney-General's Department), for the year ending 31st October, 1926.

7. *Resolved*, That a sum not exceeding One hundred and nine thousand four hundred dollars be granted to His Majesty to defray the expenses of Administration of Justice (Supreme Court of Ontario), for the year ending 31st October, 1926.

8. *Resolved*, That a sum not exceeding One million four hundred and fourteen thousand six hundred and fifty-five dollars be granted to His Majesty to defray the expenses of Administration of Justice (Sundry Civil and Criminal Justice), for the year ending 31st October, 1926.

9. *Resolved*, That a sum not exceeding Two hundred and sixty-one thousand five hundred and ten dollars be granted to His Majesty to defray the expenses of Administration of Justice (Administration of Justice in Districts), for the year ending 31st October, 1926.

10. *Resolved*, That a sum not exceeding One hundred and thirty thousand five hundred dollars be granted to His Majesty to defray the expenses of Miscellaneous Services (Attorney-General's Department), for the year ending 31st October, 1926.

11. *Resolved*, That a sum not exceeding Forty-five thousand seven hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Insurance Department, for the year ending 31st October, 1926.

12. *Resolved*, That a sum not exceeding Eighty-eight thousand five hundred and fifty dollars be granted to His Majesty to defray the expenses of Civil Government (Education Department), for the year ending 31st October, 1926.

13. *Resolved*, That a sum not exceeding Four millions five hundred and thirty-two thousand three hundred and fifteen dollars be granted to His Majesty to defray the expenses of Public and Separate School Education, for the year ending 31st October, 1926.

14. *Resolved*, That a sum not exceeding One hundred and fifty-four thousand two hundred and ninety-five dollars be granted to His Majesty to defray the expenses of Toronto Normal and Model Schools, for the year ending 31st October, 1926.

15. *Resolved*, That a sum not exceeding Ninety-eight thousand seven hundred dollars be granted to His Majesty to defray the expenses of Ottawa Normal and Model Schools, for the year ending 31st October, 1926.

16. *Resolved*, That a sum not exceeding Fifty-six thousand five hundred dollars be granted to His Majesty to defray the expenses of London Normal School, for the year ending 31st October, 1926.

17. *Resolved*, That a sum not exceeding Forty-four thousand and seventy dollars be granted to His Majesty to defray the expenses of Hamilton Normal School, for the year ending 31st October, 1926.

18. *Resolved*, That a sum not exceeding Forty thousand eight hundred and fifty dollars be granted to His Majesty to defray the expenses of Peterborough Normal School, for the year ending 31st October, 1926.

19. *Resolved*, That a sum not exceeding Forty thousand four hundred and fifty dollars be granted to His Majesty to defray the expenses of Stratford Normal School, for the year ending 31st October, 1926.

20. *Resolved*, That a sum not exceeding One hundred and thirteen thousand and fifty dollars be granted to His Majesty to defray the expenses of North Bay Normal School, for the year ending 31st October, 1926.

21. *Resolved*, That a sum not exceeding One hundred and thirty-six thousand four hundred and eighty dollars be granted to His Majesty to defray the expenses of English-French Professional Training Schools, for the year ending 31st October, 1926.

22. *Resolved*, That a sum not exceeding Three hundred and twenty-nine thousand five hundred and fifty dollars be granted to His Majesty to defray the expenses of High Schools and Collegiate Institutes, for the year ending 31st October, 1926.

23. *Resolved*, That a sum not exceeding Thirteen thousand four hundred dollars be granted to His Majesty to defray the expenses of Departmental Museum, for the year ending 31st October, 1926.

24. *Resolved*, That a sum not exceeding One hundred and sixteen thousand nine hundred dollars be granted to His Majesty to defray the expenses of Public Libraries, Art Schools, etc., for the year ending 31st October, 1926.

25. *Resolved*, That a sum not exceeding Eight hundred and eighty-two thousand four hundred dollars be granted to His Majesty to defray the expenses of Technical Education, for the year ending 31st October, 1926.

26. *Resolved*, That a sum not exceeding Fifty thousand one hundred and fifty dollars be granted to His Majesty to defray the expenses of Superannuated Public and High School Teachers, for the year ending 31st October, 1926.

27. *Resolved*, That a sum not exceeding Two hundred and five thousand four hundred and eighty-five dollars be granted to His Majesty to defray the expenses of Provincial and other Universities, for the year ending 31st October, 1926.

28. *Resolved*, That a sum not exceeding One hundred and thirty-eight thousand four hundred and seventy dollars be granted to His Majesty to defray the expenses of Belleville School for the Deaf, for the year ending 31st October, 1926.

29. *Resolved*, That a sum not exceeding Ninety-nine thousand seven hundred and ninety dollars be granted to His Majesty to defray the expenses of Brantford School for the Blind, for the year ending 31st October, 1926.

30. *Resolved*, That a sum not exceeding Eighty-eight thousand four hundred and ninety dollars be granted to His Majesty to defray the expenses of Monteith Northern Academy, for the year ending 31st October, 1926.

31. *Resolved*, That a sum not exceeding Sixty thousand dollars be granted to His Majesty to defray Miscellaneous Expenses (Education Department), for the year ending 31st October, 1926.

32. *Resolved*, That a sum not exceeding Two hundred and fifty thousand four hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Civil Government (Lands and Forests Department), for the year ending 31st October, 1926.

33. *Resolved*, That a sum not exceeding One million eight hundred and thirty-two thousand and fifty dollars be granted to His Majesty to defray the expenses of Miscellaneous Services (Lands and Forests Department), for the year ending 31st October, 1926.

34. *Resolved*, That a sum not exceeding Five hundred and fifty-seven thousand three hundred dollars be granted to His Majesty to defray the expenses of Colonization Roads, for the year ending 31st October, 1926.

35. *Resolved*, That a sum not exceeding One hundred and seventy thousand five hundred dollars be granted to His Majesty to defray the expenses of Civil Government (Mines Department), for the year ending 31st October, 1926.

36. *Resolved*, That a sum not exceeding One hundred and seventy-seven thousand one hundred and fifty dollars be granted to His Majesty to defray the expenses of Miscellaneous Services (Mines Department), for the year ending 31st October, 1926.

37. *Resolved*, That a sum not exceeding Forty-seven thousand five hundred dollars be granted to His Majesty to defray the expenses of Civil Government (Game and Fisheries Department), for the year ending 31st October, 1926.

38. *Resolved*, That a sum not exceeding Three hundred and fifty-four thousand eight hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Miscellaneous Services (Game and Fisheries Department), for the year ending 31st October, 1926.

39. *Resolved*, That a sum not exceeding Eighty-six thousand two hundred dollars be granted to His Majesty to defray the expenses of Civil Government (Public Works Department), for the year ending 31st October, 1926.

40. *Resolved*, That a sum not exceeding Forty-eight thousand nine hundred and twenty-five dollars be granted to His Majesty to defray the expenses of Maintenance and Repairs, Government House, for the year ending 31st October, 1926.

41. *Resolved*, That a sum not exceeding Four hundred and thirty-eight thousand nine hundred and ninety-six dollars and thirty-five cents be granted to His Majesty to defray the expenses of Maintenance and Repairs, Parliament and Departmental Buildings, for the year ending 31st October, 1926.

42. *Resolved*, That a sum not exceeding Sixty-seven thousand and five dollars be granted to His Majesty to defray the expenses of Maintenance and Repairs, Osgoode Hall, for the year ending 31st October, 1926.

43. *Resolved*, That a sum not exceeding Twenty thousand one hundred and ten dollars be granted to His Majesty to defray the expenses of Maintenance and Repairs, Educational Buildings, for the year ending 31st October, 1926.

44. *Resolved*, That a sum not exceeding Fourteen thousand dollars be granted to His Majesty to defray the expenses of Maintenance and Repairs, Agricultural Buildings, for the year ending 31st October, 1926.

45. *Resolved*, That a sum not exceeding Ten thousand eight hundred dollars be granted to His Majesty to defray the expenses of Maintenance and Repairs, District Buildings, for the year ending 31st October, 1926.

46. *Resolved*, That a sum not exceeding Eighty-six thousand four hundred dollars be granted to His Majesty to defray the expenses of Maintenance and Repairs of Government Buildings (Miscellaneous), for the year ending 31st October, 1926.

47. *Resolved*, That a sum not exceeding One hundred and sixty-one thousand five hundred dollars be granted to His Majesty to defray the expenses of Public Works and Bridges, for the year ending 31st October, 1926.

48. *Resolved*, That a sum not exceeding Five hundred thousand dollars be granted to His Majesty to defray the expenses of Public Buildings (Capital), Parliament Buildings, for the year ending 31st October, 1926.

49. *Resolved*, That a sum not exceeding Three hundred and seven thousand dollars be granted to His Majesty to defray the expenses of Public Buildings (Capital), Public Institutions Buildings, for the year ending 31st October, 1926.

50. *Resolved*, That a sum not exceeding Fifty thousand dollars be granted to His Majesty to defray the expenses of Public Buildings (Capital), Educational Buildings, for the year ending 31st October, 1926.

51. *Resolved*, That a sum not exceeding Twenty-five thousand dollars be granted to His Majesty to defray the expenses of Public Buildings (Capital), District Buildings, for the year ending 31st October, 1926.

52. *Resolved*, That a sum not exceeding One hundred and fifty-five thousand dollars be granted to His Majesty to defray the expenses of Public Buildings (Capital), Miscellaneous, for the year ending 31st October, 1926.

53. *Resolved*, That a sum not exceeding Two hundred and fifty-five thousand two hundred and fifty dollars be granted to His Majesty to defray the expenses of Civil Government (Highways Department), for the year ending 31st October, 1926.

54. *Resolved*, That a sum not exceeding One hundred and sixty-eight thousand four hundred and fifty dollars be granted to His Majesty to defray the expenses of Miscellaneous Services (Highways Department), for the year ending 31st October, 1926.

55. *Resolved*, That a sum not exceeding Two hundred and sixty-eight thousand nine hundred and forty dollars be granted to His Majesty to defray the expenses of Civil Government (Health Department), for the year ending 31st October, 1926.

56. *Resolved*, That a sum not exceeding Four hundred and nineteen thousand two hundred dollars be granted to His Majesty to defray the expenses of Miscellaneous Services (Health Department), for the year ending 31st October, 1926.

57. *Resolved*, That a sum not exceeding One hundred and seventy-nine thousand nine hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Civil Government (Labour Department), for the year ending 31st October, 1926.

58. *Resolved*, That a sum not exceeding Two millions one hundred and nine thousand nine hundred and thirty dollars be granted to His Majesty to defray the expenses of Miscellaneous Services (Labour Department), for the year ending 31st October, 1926.

59. *Resolved*, That a sum not exceeding One hundred and eight thousand one hundred and fifty dollars be granted to His Majesty to defray the expenses of Civil Government (Treasury Department), for the year ending 31st October, 1926.

60. *Resolved*, That a sum not exceeding One hundred and two thousand three hundred dollars be granted to His Majesty to defray the expenses of Succession Duties Branch, for the year ending 31st October, 1926.

61. *Resolved*, That a sum not exceeding One hundred and twenty-five thousand dollars be granted to His Majesty to defray the expenses of Amusement Branches, for the year ending 31st October, 1926.

62. *Resolved*, That a sum not exceeding Twenty-four thousand three hundred and fifty dollars be granted to His Majesty to defray the expenses of Board of Censors of Moving Pictures, for the year ending 31st October, 1926.

63. *Resolved*; That a sum not exceeding Ninety-one thousand three hundred and fifty dollars be granted to His Majesty to defray the expenses of Motion Picture Bureau, for the year ending 31st October, 1926.

64. *Resolved*, That a sum not exceeding Thirty-five thousand seven hundred dollars be granted to His Majesty to defray the expenses of King's Printer's Office for the year ending 31st October, 1926.

65. *Resolved*, That a sum not exceeding Seventy-seven thousand six hundred and fifty dollars be granted to His Majesty to defray the expenses of Fire Marshal's Office, for the year ending 31st October, 1926.

66. *Resolved*, That a sum not exceeding Three thousand five hundred dollars be granted to His Majesty to defray the expenses of Office of Law Stamp Distributor, for the year ending 31st October, 1926.

67. *Resolved*, That a sum not exceeding Nineteen thousand five hundred dollars be granted to His Majesty to defray the expenses of Department of Public Records and Archives, for the year ending 31st October, 1926.

68. *Resolved*, That a sum not exceeding Eighteen thousand two hundred and fifty dollars be granted to His Majesty to defray the expenses of House Post Office, for the year ending 31st October, 1926.

69. *Resolved*, That a sum not exceeding One hundred and ninety-eight thousand six hundred and fifty dollars be granted to His Majesty to defray General Expenses (Provincial Treasurer's Department), for the year ending 31st October, 1926.

70. *Resolved*, That a sum not exceeding Eighty-seven thousand and seventy-five dollars be granted to His Majesty to defray the expenses of Provincial Auditor's Office, for the year ending 31st October, 1926.

71. *Resolved*, That a sum not exceeding Two hundred and seventy-five thousand one hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Civil Government (Provincial Secretary's Department), for the year ending 31st October, 1926.

72. *Resolved*, That a sum not exceeding Nine thousand three hundred dollars be granted to His Majesty to defray the expenses of Miscellaneous Services (Provincial Secretary's Department), for the year ending 31st October, 1926.

73. *Resolved*, That a sum not exceeding One million three hundred and twenty thousand four hundred dollars be granted to His Majesty to defray the expenses of Hospitals and Charities, for the year ending 31st October, 1926.

74. *Resolved*, That a sum not exceeding Three hundred and twenty-eight thousand one hundred and twenty-two dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Brockville, for the year ending 31st October, 1926.

75. *Resolved*, That a sum not exceeding One hundred and thirty-two thousand five hundred and fifty dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Cobourg, for the year ending 31st October, 1926.

76. *Resolved*, That a sum not exceeding Four hundred and ten thousand dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Hamilton, for the year ending 31st October, 1926.

77. *Resolved*, That a sum not exceeding Two hundred and sixty-three thousand two hundred and thirty dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Kingston, for the year ending 31st October, 1926.

78. *Resolved*, That a sum not exceeding Four hundred and thirty-five thousand and thirty dollars be granted to His Majesty to defray the expenses of Ontario Hospital, London, for the year ending 31st October, 1926.

79. *Resolved*, That a sum not exceeding Two hundred and fifty thousand and thirty dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Mimico, for the year ending 31st October, 1926.

80. *Resolved*, That a sum not exceeding Two hundred and ninety-seven thousand six hundred and two dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Orillia, for the year ending 31st October, 1926.

81. *Resolved*, That a sum not exceeding One hundred and thirty-two thousand nine hundred and forty dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Penetanguishene, for the year ending 31st October, 1926.

82. *Resolved*, That a sum not exceeding Three hundred and forty-four thousand seven hundred and thirty-two dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Toronto, for the year ending 31st October, 1926.

83. *Resolved*, That a sum not exceeding Four hundred and twenty-six thousand five hundred and nineteen dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Whitby, for the year ending 31st October, 1926.

84. *Resolved*, That a sum not exceeding Eighty-eight thousand nine hundred and thirty-one dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Woodstock, for the year ending 31st October, 1926.

85. *Resolved*, That a sum not exceeding Three hundred and one thousand and ten dollars be granted to His Majesty to defray the expenses of Ontario Reformatory, Guelph, for the year ending 31st October, 1926.

86. *Resolved*, That a sum not exceeding Two hundred and twenty-seven thousand eight hundred dollars be granted to His Majesty to defray the expenses of Ontario Reformatory Industries, for the year ending 31st October, 1926.

87. *Resolved*, That a sum not exceeding Eighty thousand and seventy-five dollars be granted to His Majesty to defray the expenses of Mercer Reformatory, Toronto, for the year ending 31st October, 1926.

88. *Resolved*, That a sum not exceeding Ten thousand dollars be granted to His Majesty to defray the expenses of Mercer Reformatory Industries, for the year ending 31st October, 1926.

89. *Resolved*, That a sum not exceeding Two hundred and forty thousand five hundred and fifty dollars be granted to His Majesty to defray the expenses of Industrial Farm, Burwash, for the year ending 31st October, 1926.

90. *Resolved*, That a sum not exceeding Thirty-five thousand eight hundred and twenty dollars be granted to His Majesty to defray the expenses of Industrial Farm, Fort William, for the year ending 31st October, 1926.

91. *Resolved*, That a sum not exceeding Fifty thousand dollars be granted to His Majesty to defray the expenses of Toronto Reception Hospital, for the year ending 31st October, 1926.

92. *Resolved*, That a sum not exceeding Seventy thousand four hundred dollars be granted to His Majesty to defray the miscellaneous expenses (Public Institutions), for the year ending 31st October, 1926.

93. *Resolved*, That a sum not exceeding One hundred and thirty-two thousand and seventy-five dollars be granted to His Majesty to defray the expenses of Civil Government (Agriculture Department), for the year ending 31st October, 1926.

94. *Resolved*, That a sum not exceeding Two hundred and thirteen thousand nine hundred and fifty dollars be granted to His Majesty to defray the expenses of Agricultural and Horticultural Societies, for the year ending 31st October, 1926.

95. *Resolved*, That a sum not exceeding One hundred and forty-one thousand four hundred and fifty dollars be granted to His Majesty to defray the expenses of Live Stock Branch (Agricultural Department), for the year ending 31st October, 1926.

96. *Resolved*, That a sum not exceeding Fifty-seven thousand eight hundred dollars be granted to His Majesty to defray the expenses of Institutes (Agriculture Department), for the year ending 31st October, 1926.

97. *Resolved*, That a sum not exceeding Two hundred and twelve thousand five hundred dollars be granted to His Majesty to defray the expenses of Dairy Branch, for the year ending 31st October, 1926.

98. *Resolved*, That a sum not exceeding Eighty-nine thousand three hundred dollars be granted to His Majesty to defray the expenses of Fruit Branch, for the year ending 31st October, 1926.

99. *Resolved*, That a sum not exceeding Three hundred and fifty-five thousand five hundred dollars be granted to His Majesty to defray the expenses of Agricultural Representatives Branch, for the year ending 31st October, 1926.

100. *Resolved*, That a sum not exceeding Sixty-four thousand dollars be granted to His Majesty to defray the expenses of Kemptville Agricultural School, for the year ending 31st October, 1926.

101. *Resolved*, That a sum not exceeding Thirty-seven thousand five hundred and fifty dollars be granted to His Majesty to defray the expenses of Ontario Veterinary College, for the year ending 31st October, 1926.

102. *Resolved*, That a sum not exceeding Twenty-three thousand dollars be granted to His Majesty to defray the expenses of Western Ontario Experimental Farm, for the year ending 31st October, 1926.

103. *Resolved*, That a sum not exceeding One hundred and eighty-five thousand six hundred dollars be granted to His Majesty to defray miscellaneous expenses (Agriculture Department), for the year ending 31st October, 1926.

104. *Resolved*, That a sum not exceeding Three hundred and forty-six thousand six hundred and forty dollars be granted to His Majesty to defray the expenses of Ontario Agricultural College (administration, maintenance and teaching), for the year ending 31st October, 1926.

105. *Resolved*, That a sum not exceeding Fifty-eight thousand three hundred and sixty-two dollars be granted to His Majesty to defray the expenses of Ontario Agricultural College (Macdonald Institute and Hall), for the year ending 31st October, 1926.

106. *Resolved*, That a sum not exceeding One thousand dollars be granted to His Majesty to defray the expenses of Ontario Agricultural College (forestry), for the year ending 31st October, 1926.

107. *Resolved*, That a sum not exceeding Thirty-eight thousand two hundred and sixty dollars be granted to His Majesty to defray the expenses of Ontario Agricultural College (Animal Husbandry, Farm and Experimental Feeding Department), for the year ending 31st October, 1926.

108. *Resolved*, That a sum not exceeding Twenty-one thousand nine hundred and ten dollars be granted to His Majesty to defray the expenses of Ontario Agricultural College (field experiments), for the year ending 31st October, 1926.

109. *Resolved*, That a sum not exceeding Fourteen thousand nine hundred dollars be granted to His Majesty to defray the expenses of Ontario Agricultural College (Experimental Dairy Department), for the year ending 31st October, 1926.

110. *Resolved*, That a sum not exceeding Nine thousand three hundred and fifty dollars be granted to His Majesty to defray the expenses of Ontario Agricultural College (Dairy School), for the year ending 31st October, 1926.

111. *Resolved*, That a sum not exceeding Thirty-four thousand one hundred and eighty-three dollars be granted to His Majesty to defray the expenses of Ontario Agricultural College (Poultry Department), for the year ending 31st October, 1926.

112. *Resolved*, That a sum not exceeding Thirty-one thousand nine hundred and fifty dollars be granted to His Majesty to defray the expenses of Ontario Agricultural College (Horticultural Department), for the year ending 31st October, 1926.

113. *Resolved*, That a sum not exceeding Twelve thousand seven hundred dollars be granted to His Majesty to defray the expenses of Ontario Agricultural College (Apiculture Department), for the year ending 31st October, 1926.

114. *Resolved*, That a sum not exceeding Four thousand seven hundred dollars be granted to His Majesty to defray the expenses of Ontario Agricultural College (bacteriology), for the year ending 31st October, 1926.

115. *Resolved*, That a sum not exceeding Four thousand eight hundred dollars be granted to His Majesty to defray the expenses of Ontario Agricultural College (botany), for the year ending 31st October, 1926.

116. *Resolved*, That a sum not exceeding Eighteen thousand one hundred and seventy dollars be granted to His Majesty to defray the expenses of Ontario Agricultural College (chemistry), for the year ending 31st October, 1926.

117. *Resolved*, That a sum not exceeding Five thousand two hundred and twenty-five dollars be granted to His Majesty to defray the expenses of Ontario Agricultural College (entomology), for the year ending 31st October, 1926.

118. *Resolved*, That a sum not exceeding One thousand three hundred and forty dollars be granted to His Majesty to defray the expenses of Ontario Agricultural College (English), for the year ending 31st October, 1926.

119. *Resolved*, That a sum not exceeding Three thousand six hundred dollars be granted to His Majesty to defray the expenses of Ontario Agricultural College (manual training), for the year ending 31st October, 1926.

120. *Resolved*, That a sum not exceeding Nineteen thousand and twenty dollars be granted to His Majesty to defray the expenses of Ontario Agricultural College (physics), for the year ending 31st October, 1926.

121. *Resolved*, That a sum not exceeding Twenty-two thousand dollars be granted to His Majesty to defray the expenses of Ontario Agricultural College (farm economics), for the year ending 31st October, 1926.

122. *Resolved*, That a sum not exceeding Eight thousand nine hundred and sixty dollars be granted to His Majesty to defray the expenses of Ontario Agricultural College (extension), for the year ending 31st October, 1926.

123. *Resolved*, That a sum not exceeding One hundred and ninety-eight thousand three hundred dollars be granted to His Majesty to defray the expenses of colonization and immigration, for the year ending 31st October, 1926.

124. *Resolved*, That a sum not exceeding One hundred and ninety-five thousand dollars be granted to His Majesty to defray miscellaneous expenses, for the year ending 31st October, 1926.

The several Resolutions, having been read the second time, were concurred in.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

'Annual report of the Civil Service Commissioner of Ontario for year ending October, 1924. (*Sessional Papers, No. 70*).

Also—

Copies of Orders-in-Council pursuant to section 73 of The Ontario Insurance Act, 1924. (*Sessional Papers, No. 72*.)

The House then adjourned at 1.15 a.m.

Wednesday, April 8th, 1925.

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were brought up and laid upon the Table:—

By Mr. Homuth, the Petition of the Hespeler Methodist Sunday School; also, the Petition of Hespeler Methodist Young People's Organization.

By Mr. Finlayson, the Petition of the Ministerial Association of Orillia and vicinity; also, the Petition of the Orillia Baptist Church.

By Mr. Hillmer, the Petition of the Ladies' Aid, Nelson Methodist Church; also, the Petition of the Young People's Society, Georgetown Methodist Church; also, the Petition of the Young Women's Christian Temperance Union, Georgetown.

Mr. Nickle, from the Standing Committee on Private Bills, presented their Eleventh Report which was read as follows and adopted:—

Your Committee beg to report the following Bills without amendment:—

Bill (No. 51), An Act respecting the City of Galt.

Bill (No. 170), An Act respecting the Township of Tisdale.

Your Committee beg to report the following Bills with certain amendments;

Bill (No. 5), An Act respecting the Township of Etobicoke.

Bill (No. 28), An Act respecting the Township of Stamford.

Bill (No. 44), An Act respecting the Town of Weston.

Bill (No. 46), An Act respecting the Township of York.

Bill (No. 53), An Act to amend an Act respecting the City of Oshawa.

Bill (No. 116), An Act respecting the City of Toronto.

Bill (No. 118), An Act respecting the Township of York.

Your Committee recommend that no charge for any suspension of the Rules for receiving reports of Committees be made under clause *a* of paragraph

3 of Rule 51*a* against any Private Bill introduced this Session and that any charges already paid during this Session in excess of those above mentioned be remitted.

Ordered, That no charge for any suspension of the Rules for receiving Reports of Committees be made under clause (a) of paragraph 3 of Rule 51*a* against any Private Bill introduced this Session and that any charges already paid be remitted.

On motion of Mr. Ferguson, seconded by Mr. Henry,

Ordered, That when this House adjourns To-day, it do stand adjourned until Eleven of the Clock in the forenoon, of Thursday the Ninth day of April instant.

On motion of Mr. Henry, seconded by Mr. Nickle,

Ordered, That this House do forthwith resolve itself into a Committee to consider certain proposed Resolution respecting moneys set apart for Highway Improvement Act.

Mr. Ferguson acquainted the House that His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed Resolution, recommends it to the consideration of the House.

The House then resolved itself into the Committee.

(In the Committee.)

Resolved, That in addition to all sums set apart under the Highway Improvement Act and under the Highway Improvement Act, 1920, and amendments thereto, there shall be set apart out of the Consolidated Revenue Fund the sum of Three Million Dollars *per annum* for a period of five years, the same to be payable annually as from the 1st day of November, 1924.

Mr. Speaker resumed the Chair; and Mr. Rankin reported, That the Committee had come to a certain Resolution.

Ordered, That the Report be now received.

Mr. Rankin reported the Resolution as follows:—

Resolved, That in addition to all sums set apart under the Highway Improvement Act and under the Highway Improvement Act, 1920, and amendments thereto, there shall be set apart out of the Consolidated Revenue Fund the sum of Three Million Dollars *per annum* for a period of five years, the same to be payable annually as from the 1st day of November, 1924.

The Resolution having been read the second time, was agreed to, and referred to the Committee of the Whole House on Bill (No. 185), Respecting Public Service Works on Highways.

The following Bills were severally read the second time:—

Bill (No. 12), Respecting the City of Sarnia.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 25), Respecting the City of Windsor.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 36), Respecting the Town of Timmins.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 45), Respecting the City of Sault Ste. Marie.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 143), To amend the Ottawa Civic Hospital Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 187), The Municipal Amendment Act, 1925.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 188), The Assessment Amendment Act, 1925.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 189), To amend the Interpretation Act.

Referred to a Committee of the Whole House To-morrow.

The Order of the Day for the second reading of Bill (No. 160), To amend the House of Refuge Act, having been read,

Ordered, That the Order be discharged, and that the Bill be withdrawn.

The following Bills were severally read the third time and passed:—

Bill (No. 73), To amend the Assignment of Book Debts Act.

Bill (No. 68), To amend the Public Vehicles Act.

Bill (No. 113), To amend the Succession Duty Act.

Bill (No. 70), To amend the Succession Duty Act.

Bill (No. 136), To amend the Public Utilities Act.

Bill (No. 31), To confirm Family Arrangement in respect of the Estate of Thomas Nihan, deceased.

Bill (No. 6), To amend the Ontario Lutheran Church Act.

Bill (No. 13), To consolidate the Floating Debt of the Town of Gravenhurst.

Bill (No. 19), Respecting the Village of Forest Hill.

Bill (No. 34), Respecting the City of London.

Bill (No. 40), Respecting the Municipality of Shuniah.

The Order of the Day for the third reading of Bill (No. 66), To amend the Mining Act of Ontario, having been read,

Ordered, That the Order be discharged, and that the Bill be forthwith again referred to a Committee of the Whole, with instructions to amend the same.

The House accordingly resolved itself into the Committee; and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had amended the Bill as directed.

Ordered, That the Bill be read the third time forthwith.

The Bill was then read the third time, and passed.

The Order of the Day for the third reading of Bill (No. 60), Respecting the Commissioners for the Queen Victoria Niagara Falls Park, having been read,

Ordered, That the Order be discharged, and that the Bill be forthwith again referred to a Committee of the Whole, with instructions to amend the same.

The House accordingly resolved itself into the Committee; and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had amended the Bill as directed.

Ordered, That the Bill be read the third time forthwith.

The Bill was then read the third time, and passed.

The House resolved itself into a Committee to consider Bill (No. 186), To amend the Highway Traffic Act, 1923, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 184), To amend the Hydro-Electric Railway Act, 1914, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the amendments be taken into consideration forthwith.

The amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 185), Respecting Public Service Works on Highways, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 144), To amend the Marriage Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 157), To amend the School Laws, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-morrow.

The House, according to Order, resolved itself into the Committee of Ways and Means.

(In the Committee.)

Resolved, That there be granted out of the Consolidated Revenue Fund of this Province a sum not exceeding Forty-nine millions, eight hundred and fifty thousand, seven hundred and eighteen dollars and thirteen cents to meet the Supply to that extent granted to His Majesty.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had come to a Resolution.

Ordered, That the Report be received forthwith.

Mr. Jamieson (Grey) from the Committee on Ways and Means, reported a Resolution which was read as follows:—

Resolved, That there be granted out of the Consolidated Revenue Fund of this Province a sum not exceeding Forty-nine millions, eight hundred and fifty thousand, seven hundred and eighteen dollars and thirteen cents to meet the Supply to that extent granted to His Majesty.

The Resolution, having been read the second time, was agreed to.

The following Bill was then introduced and read the first time:—

Bill (No. 190), intituled “An Act for granting to His Majesty certain sums of money to defray the expenses of Civil Government for the year ending 31st October, One thousand nine hundred and twenty-five, and for the year ending 31st day of October, One thousand nine hundred and twenty-six, and for other purposes therein mentioned.” *Mr. Price.*

Ordered, That the Bill be read the second time forthwith.

The Bill was then read a second time.

Ordered, That the Bill be read a third time forthwith.

The Bill was then read the third time and passed.

On motion of Mr. Raney, seconded by Mr. Carmichael,

Ordered, That there be laid before the House a Return of all correspondence and documents on the files of the Government or of the Hydro-Electric Power Commission relating to the Pic River and Sturgeon River pulp limits, and to the supply of power to the Great Lakes Paper Company, Limited, since the papers covered by the return brought down by the Government and laid on the table in the House on the 16th day of March, 1925.

Mr. Sinclair moved, seconded by Mr. Mageau,

That, in the opinion of this House, the interests of Hydro-Electric development in Ontario demand the immediate appointment of a third member of the Ontario Hydro-Electric Commission of Ontario.

And, after some time, the motion was, by leave of the House, withdrawn.

Mr. Sewell moved, seconded by Mr. McCallum,

That there be laid before the House a Return of a copy of report made by John H. Ross, and another to the Attorney-General in the summer or autumn of 1924, of conditions of law enforcement in the City of Windsor and vicinity, and all correspondence and other papers having reference to the said report or the matter therein contained.

And, after some time, the motion was, by leave of the House, withdrawn.

Mr. Gray moved, seconded by Mr. McKeown,

That since the sale and use of spirituous liquors as a beverage within the Province of Ontario has been prohibited since 1916 by our Ontario Temperance Act;

And since the medical doctors require considerable quantities for their patients, which is dispensed under prescriptions through Government dispensaries;

And since the Dominion Government exacts \$9.00 *per* gallon for all liquors manufactured in Ontario and \$10.00 *per* gallon for such liquors imported;

And whereas the Dominion Government exacts only \$2.40 *per* gallon on liquors manufactured and imported when used in manufacture of patent and proprietary medicines, extracts, essences, and pharmaceutical preparations.

Resolved, That this Legislative Assembly of the Province of Ontario ask the Dominion Government to so adjust its tariff that liquors now sold in dispensaries throughout the Province be taxed only the rate levied for liquors used in patent medicines, etc., namely, \$2.40 *per* gallon.

And, after some time, the motion was, by leave of the House, withdrawn.

Mr. Fenton moved, seconded by Mr. Lethbridge,

That there be laid before the House a Return of all papers connected with the purchases and supplies and material by the Department of Lands and Forests from "Lyons Fuel and Supply Company, Limited," as indicated by a disbursement of \$14,202.58 in the Public Accounts at page F. 35, and by disbursements of \$2,484.50 and \$3,175.76, mentioned in the answer to the question of Mr. Widdifield at page 260 of Votes and Proceedings.

And, after some time, the motion was, by leave of the House, withdrawn.

Mr. Heenan moved, seconded by Mr. Callan,

That there be laid before the House a Return showing all correspondence between any member of the Government or any member of the House in the possession of the Government down to April 1st, 1925, relating to the charge that there had been intimidation, discrimination and persecution of the settlers in the Kenora district.

And, after some time, the motion was, by leave of the House, withdrawn.

8 O'Clock p.m.

The following Bills were severally introduced and read the first time:—

Bill (No. 191), intituled "An Act to amend the Ontario Game and Fisheries Act." *Mr. McCrea.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 192), intituled "An Act to amend the Wolf Bounty Act." *Mr. McCrea.*

Ordered, That the Bill be read the second time To-morrow.

The Order of the Day for the third reading of Bill (No. 11), Respecting the City of Brantford, having been read,

Ordered, That the Order be discharged, and that the Bill be forthwith again referred to a Committee of the Whole, with instructions to amend the same.

The House accordingly resolved itself into the Committee, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Black reported, That the Committee had amended the Bill as directed.

Ordered, That the Bill be read the third time forthwith.

The Bill was then read the third time, and passed.

The following Bills were severally read the third time and passed:—

Bill (No. 56), Respecting the City of Hamilton.

Bill (No. 59), To enable the Executors of the late Edmund Boyd Osler to make a certain gift out of his estate for public purposes.

Bill (No. 58), To enable the Town of Brampton to sell houses erected by the Housing Commission, at less than actual cost.

Bill (No. 104), To amend the Ontario Land Surveyors Act.

Bill (No. 122), To amend the Forest Fires Prevention Act, 1917.

Bill (No. 127), To amend the Highway Traffic Act, 1923.

Bill (No. 133), To amend the Factory, Shop and Office Building Act.

Bill (No. 119), To amend the Pounds Act.

Bill (No. 21), Respecting the Town of Walkerville.

Bill (No. 22), Respecting the Town of Sandwich.

Bill (No. 38), Respecting the Town of Carleton Place.

Bill (No. 32), Respecting the Town of Hawkesbury.

Bill (No. 35), Respecting the Town of Hawkesbury.

Bill (No. 24), Respecting the Essex Border Utilities Commission.

Bill (No. 29), To incorporate the Christian and Missionary Alliance in Canada.

Bill (No. 57), Respecting the Town of Whitby.

Bill (No. 110), To amend the Public Health Act.

The following Bills were severally read the second time:—

Bill (No. 55), To incorporate the Duluth and Ontario Railway Company.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 121), To incorporate the Parry Sound and Northern Ontario Railway Company.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 15), To authorize the Trustees of the Toronto General Burying Grounds to acquire and hold additional lands in the County of York.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 47), To incorporate the Ottawa Charitable Foundation.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 50), Respecting the Town of Sudbury.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 52), Respecting the Town of Kapuskasing.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 54), Respecting Saint Michael's Cemetery in the City of Toronto.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 42), Respecting the Township of East York.

Referred to a Committee of the Whole House To-morrow.

The House resolved itself into a Committee to consider Bill (No. 18), Respecting certain Churches therein named,

And the Committee having continued to sit until twelve of the clock midnight,

Thursday, April 9th, 1925.

The House continued in Committee, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. McKeown reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the amendments be taken into consideration forthwith.

The amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time at the next sittings of the House To-day.

The following Bill was introduced and read the first time:—

Bill (No. 193), intituled "An Act respecting Industrial Schools." *Mr. Ferguson*.

Ordered, That the Bill be now read the second time.

The Bill was then read the second time and referred to a Committee of the Whole House at the next sittings of the House To-day.

Mr. Henry, from the Select Committee appointed to consider Bill (No. 162), Respecting the Representation of the People in the Legislative Assembly, presented their Report, which was read as follows:—

Your Committee has held several meetings and have carefully considered the re-adjustment of the representation in the various sections of the Province upon the following basis:—

(a) To avoid as far as possible increasing the present number of representatives in the Assembly;

(b) Strict adherence to county boundary lines; and

(c) Giving adequate representation to the larger centres of population.

That such a re-adjustment has become necessary is manifest from the anomalies presented in the representation of the City of Toronto and the surrounding territory. At the same time it has been felt by your Committee that owing to the extent of the territory to be covered, the importance of agricultural industry and the necessarily greater difficulty in rendering articulate the desires of the rural population as compared with the urban population of the Province, it was thought that the unit of representation in rural districts should be considerably less than that adopted in urban municipalities. Many of the constituencies contain cities and towns of considerable population which have grown much more rapidly than the rural territory included in the same electoral district, thus making it necessary to change the boundaries of the electoral districts in the County so as to equalize to some extent the population in each electoral district.

While abolishing certain seats your Committee has endeavoured to do this in the fairest possible spirit and to ignore all considerations of mere party advantage.

Your Committee is of opinion that in such a Province as that of Ontario where there are so many different interests all clamouring to receive special representation and with so much shifting of the population and so large a territory being opened up and rapidly settled in northern and northwestern parts of the Province, it will be quite impossible to adopt the same principles as might be found to answer in a thickly settled and smaller area.

Your Committee have come to the conclusion for the present at all events that it is not desirable to change the representation in the Districts in Northern and Northwestern Ontario. In the southern portion of the Province, in what is known as "Old Ontario," it is recommended that the following seats will disappear:—

In the Counties of Frontenac and Lennox and Addington that there should be two seats instead of three, one to consist of a new riding to be known as "Frontenac and Lennox" comprising the southern portion of the two Counties and the other to consist of the present Electoral District of Addington which includes the northern part of the County of Frontenac, with the addition of two or three more townships from the latter County.

The Counties of Northumberland and Durham appear to your Committee to be scarcely entitled to four representatives, consequently your Committee proposes an Electoral District of Northumberland to include the present Electoral Districts of East and West Northumberland and an Electoral District of Durham to include the present Electoral Districts of East and West Durham.

The County of Norfolk has not the population which would entitle it to have two seats upon the principles above laid down and it is proposed to have one Electoral District including the whole of the County of Norfolk.

In the County of Simcoe a re-adjustment is suggested which will more equally distribute the population of the County among the four Electoral Districts which it now includes.

In the County of Grey it is proposed to have two Electoral Districts in place of three as at present and the same applies to the County of Bruce and the County of Huron.

In the County of Middlesex in place of providing for three Electoral Districts in the County and for one in the City it is proposed that the City should be divided into two Electoral Districts and the County of Middlesex into two more.

In the County of Wellington two Districts have been substituted for the present three Districts. In the County of Lambton two Townships have been taken out of West Lambton and annexed to East Lambton and a glance at the map will show that this will make a more symmetrical riding as well as bring about greater equality in population.

Where a County has heretofore been divided into two or more Electoral Districts and owing to the growth in population, change in conditions or for any other cause the population in one Electoral District greatly exceeds that of another, an effort has been made by your Committee to distribute the population among the Electoral Districts in the County in a more equitable manner.

In the case of the City of Toronto and East and West York your Committee recommend the creation of fifteen seats for the City of Toronto proper. This will give a unit of representation of 40,000 for each Electoral District. In the case of East and West York, both of which now comprise portions of the City of Toronto which will be afforded additional representation as City seats, your Committee has thought fit in view of the large and increasing population of these two Districts to establish a third seat to be known as South York.

In the case of the City of Hamilton and the County of Wentworth, three seats are created for the City while portions of the City are included in North and South Wentworth respectively.

In the City of London an additional seat is created and the County of Middlesex is given two members instead of three as at present.

In the City of Ottawa an additional seat is provided for and the Town of Eastview which now forms part of the Electoral District of Russell, will be included in the Electoral District of East Ottawa while what is known as West Ottawa and which has about twice the population of the present Electoral District of East Ottawa, is divided into two seats to be known as North and South Ottawa respectively.

An additional seat is created for the Electoral District of Windsor which includes the Town of Sandwich, the City of Windsor and the Town of Walkerville, the additional representation being granted on account of the rapid increase in population in the territory included in the present Electoral District of Windsor.

There are other changes which will appear in the Schedule to this Act and which have been made with a view to the more equitable distribution of the population in the Electoral Districts concerned.

It is a source of gratification to your Committee that it has been found possible to make the necessary readjustments to attain the above results without disturbing county boundaries.

All of which is respectfully submitted.

GEO. S. HENRY,
Chairman.

Mr. Nixon from the Select Committee on Bill (No. 162), presented a Report of a minority of the Select Committee to which was referred Bill (No. 162), Respecting Representation of the People in Legislative Assembly, which was read as follows:—

The undersigned being a minority of the members of the said Committee beg leave to report to the House that they do not concur in the Bill as reported, believing that so great a reduction in rural representation and so great an increase in urban representation is not justifiable, and we regret that so large and important a part of the Province as Northern Ontario has been given no increase in representation. We further believe that in no case should parts of cities be attached to rural ridings but that in all such cases urban boundaries should be strictly observed.

H. C. NIXON,
M. LANG,
KARL HOMUTH,
D. J. TAYLOR,
SAM CLARKE.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Report of the Minister of Education for 1924. (*Sessional Papers, No. 16*).

Also, Report for 1924 of The Workmen's Compensation Board. (*Sessional Papers, No. 48*.)

Also, Seventeenth report of the Department of Public Records and Archives of Ontario. (*Sessional Papers, No. 45*.)

Also, Report of Architects Branch of the Public Works Department for year ending 31st October, 1924. (*Sessional Papers, No. 73*.)

The House then adjourned at 1.30 a.m.

Thursday, April 8th, 1925.

PRAYERS.

11 O'CLOCK A.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Fenton, the Petition of the Young People's League of the Methodist Church, Kincardine; also the Petition of the Young People's Christian Endeavour Society of Wiarton Presbyterian Church; also, of the Young People's League, Centreville Appointment, Lion's Head.

By Mr. Hillmer, the Petition of W. M. S., Nelson Methodist Church.

By Mr. Mahoney, the Petition of the Trinity Methodist Sunday School, Hannon; also, the Petition of the Young People's League, Trinity Methodist Church, Hanford; also, the Petition of the Young People's League, Binbrook; also, the Petition of Mount Hope Methodist Sunday School; also, the Petition of the Women's Missionary Society, Ancaster Methodist Church.

By Mr. Oakley, the Petition of the Senior Christian Endeavour Society of Queen Street East Presbyterian Church, Toronto.

By Mr. Spence, the Petition of West Fort William Baptist Church; also, the Petition of Grace Methodist Church, West Fort William; also, the Petition of Slate River U. F. O. Club, No. 1586; also, the Petition of Wesley Methodist Church, Fort William; also the Petition of the Presbyterian Church of St. Andrew, Fort William.

The following Petitions were read and received:—

Of the Hespeler Methodist Sunday School; also, of the Hespeler Methodist Young People's Organization; also, of the Ministerial Association of Orillia and vicinity; also, of the Orillia Baptist Church; also, of the Ladies' Aid, Nelson Methodist Church; also, of the Young People's Society, Georgetown Methodist Church; also, of the Young Women's Christian Temperance Union, Georgetown.

Of the Young People's League of the Methodist Church, Kincardine; also, of the Young People's Christian Endeavour Society of Wiarton Presbyterian Church; also, of the Young People's League, Centreville Appointment, Lion's Head; also, of the Trinity Methodist Sunday School, Hannon; also, of the Young People's League, Binbrook; also, of the Mount Hope Methodist Sunday School; also, of the Women's Missionary Society, Ancaster Methodist Church;

also, of the Senior Christian Endeavour Society of Queen Street East Presbyterian Church, Toronto; also, of the Fort William Baptist Church; also, of the Grace Methodist Church, West Fort William; also, of the Slate River U. F. O. Club, No. 1586; also, of the Wesley Methodist Church, Fort William; also, of the St. Andrew's Presbyterian Church, Fort William; severally praying that no further amendments be made to the Ontario Temperance Act, except to further its prohibitive provisions.

Mr. Trewartha presented to the House the First Report of the Standing Committee on Agriculture and Colonization, which was read as follows and adopted:—

The Standing Committee on Agriculture and Colonization held four sittings, on March 27th, March 31st, April 7th, and April 9th, 1925, and begs to report to the House the following resolutions:—

That this Committee desires to endorse the recommendation of the Agricultural Enquiry Committee in reference to encouraging the use of limestone on the soil of the Province, and further suggests that the Department of Agriculture give the matter special attention during the current season with a view to further establishing its effectiveness and determining whether a system of loans under the Drainage Act or other legislation would serve to bring it into more general use by the farmers of the Province.

That this Committee recommends that the operations of Agricultural Representatives of the Province be extended to include keeping records and issuing certificates of proof of origin of seeds and grain; and that the Department of Agriculture be asked to look into and report upon the existing seed grain machinery available to farmers of the Province, and as to whether steps are necessary to make further equipment available, and as to the terms on which it could be made available to the advantage of the farmer who desires to clean his seed for his own purposes or for commercial sale, and to the advantage of the Province in general.

That this Committee recommends that the Minister of Agriculture consult with the Minister of Highways with a view to taking whatever steps may be necessary, and notify municipalities that weeds must be cut along all roads, as a precaution to prevent same spreading to adjoining farms, and that this will be taken into consideration in connection with road grants given.

Mr. Currie, from the Standing Committee on Printing, presented their Second Report, which was read as follows:—

The Committee met this date, April 9th, 1925, in the office of the King's Printer, at 2 p.m., Col. J. A. Currie in the Chair and the following members present: Hon. Mr. Biggs, Hon. Dr. Carr, Mr. Gray, Mr. Irvine, Mr. Lewis, Mr. Stedman, Mr. Wigle.

The Committee ordered the King's Printer to procure to the number of 115 copies, for distribution to the members of the Legislature, the Parliamentary Guide.

The Committee ordered departmental reports and sessional papers printed in the quantities named below:—

<i>Publication</i>	<i>Ordered</i>
Report of the Department of Mines.....	Number not determined
Report Superintendent of Insurance.....	1,200
Report Registrar of Loan Corporations.....	600
Report Department of Game and Fisheries...	1,500
Report Department of Labour.....	1,000
Report Department of Education.. 150 bound	2,600 ordinary
Report Registrar Companies Act.....	Not to print
Report Department of Agriculture.....	2,500
Report Beekeepers' Association.....	2,000
Report Dairymen's Association.....	6,000
Report Livestock Branch.....	5,000
Report Women's Institutes.....	25,000
Report Agricultural Societies.....	5,000
Report Fruit Growers' Association.....	5,000
Report Statistical Branch Department of Agriculture.....	15,000
Report Horticultural Societies.....	31,000
Report Ontario Agricultural College.....	2,500
Report of Librarian.....	Stand
Report Public Records and Archives.....	Not to print
Report Workmen's Compensation Board....	3,000
Report Children's Protection Act.....	Number to be determined
Report Minimum Wage Board.....	2,000
Report Provincial Auditor.....	Number to be determined
Report Entomological Society.....	4,000
Report Mothers' Allowance Commission.....	Number to be determined
Return of Emoluments of Legal Officers.....	1,000

Moved by Mr. Gray, seconded by Mr. Stedman, the Committee passed the following resolution: "This Committee instructs its sub-committee to carry on its enquiries in connection with the use of Multigraph and Mimeograph machines for the printing of departmental reports, and that the sub-committee continue to function during the recess and report to the Chairman of the Printing Committee, who, in turn, will report to the Government the progress made."

The Committee also recommended that the Prime Minister instruct the Civil Service Commissioner to prepare a report showing the names, occupations,

age, salary of all members of the Civil Service, both on the permanent and temporary staffs of both the "inside" and "outside" services, and that the matter of printing such report be left to the discretion of the Chairman and members of the Printing Committee.

The Committee then adjourned.

Resolved, That this House doth concur in the foregoing Report.

Mr. Clarke (Northumberland), asked the following Question:

1. Who supplied the material for the Airdrome at Sault Ste. Marie. 2. Was the lumber supplied by the Lyons Fuel & Supply Company, of Sault Ste. Marie. 3. What was paid for the lumber. 4. What is the total cost of the building when completed. 5. Did the Lyons Fuel & Supply Company supply any material other than the lumber. 6. If so, what, and at what price.

And the Minister of Lands and Forests replied as follows:—

1. Building was erected under contract, and contractor purchased material. 2. No. 3. Cost of lumber included in contract. 4. Estimated to cost \$120,000.00. 5. The Lyons Fuel & Supply Company, Ltd., did not supply any material to the Government. 6. Answered by No. 5.

Mr. Lang asked the following Question:—

1. Does the Ranger sell the fishing license in Algonquin Park. 2. Who sold these licenses in 1922 and 1923 at Joe Lake and how much did he collect in the two years. 3. Who sold them last year and what was the amount collected at Joe Lake. 4. Was any beaver or otter ordered to be killed by the Department in 1924. 5. Have the rangers killed any beaver and otter in 1924. 6. Has the Government at any time been notified that illegal killing of game has gone on. 7. Who is the Chief Ranger. 8. Are there any rangers in northern part of the Park.

To which the Minister of Lands and Forests replied as follows—

1. Yes. 2. In 1922, Mark Robinson, \$587.00; in 1923, A. V. Briggs, \$634.00. 3. H. A. Callighan, \$242.00. 4. No. 5. No. 6. Different complaints received of illegal trapping. 7. Three District Chief Rangers, W. Lewis, H. A. Callighan, and J. Shields, under Acting Supt. J. Millar. 8. Yes.

Mr. Mewhinney asked the following Question:—

1. Did the Attorney-General appoint someone to make an investigation of conditions in Windsor and vicinity *re* O.T.A. law enforcement and report the

same to him. 2. Was that report made. 3. Will the report be made public. 4. Who made the investigation. 5. Was the report acted upon. 6. If not, why not.

And the Attorney-General replied as follows:—

1. No. 2, 3, 4, 5, and 6. Answered by No. 1.

Mr. Carty asked the following Question:—

1. How many Park Rangers were dismissed from the Algonquin Park staff in 1924. 2. Who were they and when were they dismissed in each case. 3. Why were they dismissed and who recommended dismissal in each case. 4. Have any of these men been taken back into the service, and, if so, which of them, and when, and on whose recommendation. 5. How long in each case had the men who were dismissed been in the service.

And the Minister of Lands and Forests replied as follows:—

1. 14. 2. Bangs, N., June 30th, 1924; Benn, A. F., June 30th, 1924; Briggs, A. V., June 30th, 1924; Boice, F., June 30th, 1924; Culhane, J., June 30th, 1924; Dontigney, E., June 30th, 1924; Lindsay, G. C., June 30th, 1924; McNamara, M., June 30th, 1924; Patterson, A., June 30th, 1924; Roche, P., June 30th, 1924; Ryan, C., June 30th, 1924; Stringer, J. E., June 30th, 1924; Stringer, D., June 30th, 1924; Waters, S., June 30th, 1924. 3. On account of the reduction in and reorganization of the staff on the recommendation of the Minister. 4. Yes, 2: Benn, A. F., July 1st, 1924; McNamara, M., August 1st, 1924; on the recommendation of the Minister. 5. Bangs, N., 12 years, 4 $\frac{2}{3}$ months; Benn, A. F., 8 years, 5 months; Briggs, A. V., 5 years, 9 months; Boice, F., 13 years, 8 months; Culhane, J., 6 years, 5 $\frac{1}{3}$ months; Dontigney, E., 15 years, 11 $\frac{1}{2}$ months; Lindsay, G. C., 4 years, 9 $\frac{1}{4}$ months; McNamara, M., 9 years, 5 $\frac{1}{2}$ months; Patterson, A., 11 years, 11 $\frac{1}{2}$ months; Roche, P., 8 years, 6 months; Ryan, C., 3 years, 1 $\frac{1}{4}$ months; Stringer, J. E., 9 years, 8 $\frac{1}{2}$ months; Stringer, D., 4 years, 5 months; Waters, S., 30 years, 11 months.

Mr. Lang asked the following Question:—

1. What was the amount of fees and fines collected each year for the last three years by Magistrate Davidson, Highway Court in Toronto.

To which the Minister of Public Works replied as follows:—

Year ended October 31st, 1922, \$35,105.88; year ended October 31st, 1923, \$25,183.25; year ended October 31st, 1924, \$22,987.57.

Mr. Wallis asked the following Question:—

1. How much was paid for the window shades placed in the Court House at Port Arthur as part of the item of \$205,699.76, appearing in the Public Accounts as having been paid for the new Court House at Port Arthur.

And the Minister of Public Works replied as follows:—

No payment has been made.

Mr. Tellier asked the following Question:—

1. What gravel and sand beds in Lake Erie are leased to the National Sand and Material Co. 2. How many yards of gravel and sand taken from Lake Erie and Niagara River by this Company have been paid for by them. 3. What gravel and sand beds in Lake Ontario are leased to the National Sand and Material Co. 4. How many yards of gravel and sand taken from Lake Ontario by this Company have been paid for by them. 5. Has this Company a permit to take sand and gravel from Canadian waters to Cleveland and Detroit.

To which the Minister of Mines replied as follows:—

1. No leases have been granted, but the Company has received annual licenses to remove sand and gravel from the following: (a) Water lot to the southeast of Port Maitland Harbour at the mouth of the Grand river; (b) Water lots in the vicinity of the Dummy Foundation, which lies to the south of Point Pelee. 2. (a) At Port Maitland, 298,503 yards for the years 1918 to 1924, inclusive; (b) at the Dummy Foundation, 27,714 yards in 1924; (c) from the Niagara river, 12,959 yards in 1922. 3. None. 4. No gravel and sand have been taken from Lake Ontario by the Company. 5. Export is permitted from Lake Erie; also from the St. Clair river above the International Tunnel, when the Canadian demand is not sufficient to absorb the removals required by the Federal Department of Public Works in the interests of navigation.

The following Bills were severally read the second time:—

Bill (No. 48), Respecting the City of Ottawa.

Referred to a Committee of the Whole House, To-day.

Bill (No. 51), Respecting the City of Galt.

Referred to a Committee of the Whole House, To-day.

Bill (No. 170), Respecting the Township of Tisdale.

Referred to a Committee of the Whole House, To-day.

Bill (No. 5), Respecting the Township of Etobicoke.

Referred to a Committee of the Whole House, To-day.

Bill (No. 28), Respecting the Township of Stamford.

Referred to a Committee of the Whole House, To-day.

Bill (No. 44), Respecting the Town of Weston.

Referred to a Committee of the Whole House, To-day.

Bill (No. 46), Respecting the Township of York.

Referred to a Committee of the Whole House, To-day.

Bill (No. 53), To amend an Act respecting the City of Oshawa.

Referred to a Committee of the Whole House, To-day.

Bill (No. 116), Respecting the City of Toronto.

Referred to a Committee of the Whole House, To-day.

Bill (No. 118), Respecting the Township of York.

Referred to a Committee of the Whole House, To-day.

Bill (No. 191), To amend the Ontario Game and Fisheries Act.

Referred to a Committee of the Whole House, To-day.

Bill (No. 192), To amend the Wolf Bounty Act.

Referred to a Committee of the Whole House, To-day.

On motion of Mr. Fisher, seconded by Mr. Proulx,

Ordered, That there be laid before the House a Return shewing: 1. What was the total estimated tender of McNamara Construction Company for pavement and shoulders on road from Sudbury to Coniston. 2. What did the work actually cost. 3. What were the tenders of other contractors for this work. 4. What was the total estimated tender of the McNamara Construction Company for pavement from Timmins to South Porcupine. 5. What did the work actually cost. 6. What were the tenders of other contractors for this work.

The House resolved itself into a Committee to consider Bill (No. 62), To Establish the Boys' Welfare Board of Ontario, and, after some time spent

therein, Mr. Speaker resumed the Chair; and Mr. Black reported, That the Committee had directed him to report the Bill (with certain amendments).

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, that the Bill be read the third time To-day.

The House resolved itself into a Committee to consider Bill (No. 193), Respecting Industrial Schools, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Black reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-day.

The House resolved itself into a Committee to consider Bill (No. 187), The Municipal Amendment Act, 1925, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Black reported, That the Committee had directed him to report the Bill (with certain amendments).

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-day.

The House resolved itself into a Committee to consider Bill (No. 188), The Assessment Amendment Act, 1925, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Black reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-day.

The House resolved itself into a Committee to consider Bill (No. 189), To amend the Interpretation Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Black reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-day.

The House resolved itself into a Committee to consider Bill (No. 191), To amend The Ontario Game and Fisheries Act, and, after some time spent therein,

Mr. Speaker resumed the Chair; and Mr. Black reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-day.

The House resolved itself into a Committee to consider Bill (No. 192), To amend The Wolf Bounty Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Black reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-day.

The House resolved itself into a Committee, severally to consider the following Bills:—

Bill (No. 55), To incorporate the Duluth and Ontario Railway Company.

Bill (No. 121), To incorporate the Parry Sound and Northern Ontario Railway Company.

Bill (No. 12), Respecting the City of Sarnia.

Bill (No. 25), Respecting the City of Windsor.

Bill (No. 36), Respecting the Town of Timmins.

Bill (No. 45), Respecting the City of Sault Ste. Marie.

Bill (No. 143), To amend the Ottawa Civic Hospital Act.

Bill (No. 15), To authorize the Trustees of the Toronto General Burying Grounds to acquire and hold additional lands in the County of York.

Bill (No. 47), To incorporate the Ottawa Charitable Foundation.

Bill (No. 50), Respecting the Town of Sudbury.

Bill (No. 52), Respecting the Town of Kapuskasing.

Bill (No. 54), Respecting Saint Michael's Cemetery in the City of Toronto.

Bill (No. 42), Respecting the Township of East York.

Bill (No. 48), Respecting the City of Ottawa.

Bill (No. 51), Respecting the City of Galt.

Bill (No. 170), Respecting the Township of Tisdale.

Bill (No. 5), Respecting the Township of Etobicoke.

Bill (No. 28), Respecting the Township of Stamford.

Bill (No. 44), Respecting the Town of Weston.

Bill (No. 46), Respecting the Township of York *Mr. Keith.*

Bill (No. 53), To amend an Act respecting the City of Oshawa.

Bill (No. 116), Respecting the City of Toronto.

Bill (No. 118), Respecting the Township of York. *Mr. Keith.*

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the several Bills without amendments.

Ordered, That the Bills reported, be severally read the third time To-day.

The following Bills were severally read the third time and passed:—

Bill (No. 140), To amend the Loan and Trusts Corporation Act.

Bill (No. 156), To amend the Public Libraries Act.

Bill (No. 150), To impose a charge for Fire Prevention purposes.

Bill (No. 134), To amend the Power Commission and Companies Transfer Act, 1924.

Bill (No. 161), To confirm an Agreement between the Hydro-Electric Power Commission of Ontario, the City of Toronto and the Toronto Harbour Commissioners.

Bill (No. 96), To make further provision for Northern and Northwestern Ontario Development.

Bill (No. 171), To amend the Registry Act.

Bill (No. 172), To amend the Land Titles Act.

Bill (No. 173), To amend the Optometry Act. 1919.

Bill (No. 175), To amend the Horticultural Societies Act.

Bill (No. 178), To amend the Legislative Assembly Act.

Bill (No. 181), To amend the Power Commission Act.

Bill (No. 183), The Drugless Practitioners Act.

Bill (No. 144), To amend the Marriage Act.

Bill (No. 157), To amend the School Laws.

Bill (No. 184), To amend the Hydro-Electric Railway Act, 1914.

Bill (No. 186), To amend the Highway Traffic Act, 1923.

Bill (No. 18), Respecting certain Churches therein named.

Bill (No. 62), To establish the Boys' Welfare Board of Ontario

Bill (No. 193), Respecting Industrial Schools.

Bill (No. 189), To amend the Interpretation Act.

Bill (No. 191), To amend the Ontario Game and Fisheries Act.

Bill (No. 192), To amend the Wolf Bounty Act.

Bill (No. 187), The Municipal Amendment Act, 1925.

Bill (No. 188), The Assessment Amendment Act, 1925.

Bill (No. 55), To incorporate the Duluth and Ontario Railway Company.

Bill (No. 121), To incorporate the Parry Sound and Northern Ontario Railway Company.

Bill (No. 12), Respecting the City of Sarnia.

Bill (No. 25), Respecting the City of Windsor.

Bill (No. 36), Respecting the Town of Timmins.

Bill (No. 45), Respecting the City of Sault Ste. Marie.

Bill (No. 143), To amend the Ottawa Civic Hospital Act.

Bill (No. 15), To authorize the Trustees of the Toronto General Burying Grounds to acquire and hold additional lands in the County of York.

Bill (No. 47), To incorporate the Ottawa Charitable Foundation.

Bill (No. 50), Respecting the Town of Sudbury.

Bill (No. 52), Respecting the Town of Kapuskasing.

Bill (No. 54), Respecting Saint Michael's Cemetery in the City of Toronto.

Bill (No. 42), Respecting the Township of East York.

Bill (No. 48), Respecting the City of Ottawa.

Bill (No. 51), Respecting the City of Galt.

Bill (No. 102), To amend the Architects Act.

Bill (No. 170), Respecting the Township of Tisdale.

Bill (No. 5), Respecting the Township of Etobicoke.

Bill (No. 28), Respecting the Township of Stamford.

Bill (No. 44), Respecting the Town of Weston.

Bill (No. 46), Respecting the Township of York.

Bill (No. 53), To amend an Act respecting the City of Oshawa.

Bill (No. 116), Respecting the City of Toronto.

Bill (No. 118), Respecting the Township of York.

Bill (No. 145), To amend the Surrogate Courts Act.

Bill (No. 98), To amend the Ontario Companies Act.

Bill (No. 139), To amend the Ontario Insurance Act.

Bill (No. 151), To provide for imposing a Tax on the purchasers of Gasoline.

Bill (No. 33), Respecting the Town of Sturgeon Falls.

Bill (No. 166), For raising money on the credit of the Consolidated Revenue Fund.

Bill (No. 163), To amend the Workmen's Compensation Act.

Bill (No. 111), To amend the Cemetery Act.

Bill (No. 168), To amend the Corporations Tax Act.

Bill (No. 174), To amend the District of Cochrane Act, 1922.

Bill (No. 63), To amend the Natural Gas Conservation Act.

Bill (No. 164), Respecting Natural Gas.

Bill (No. 180), To amend the Ontario Companies Act.

Bill (No. 177), To amend the Executive Council Act.

Bill (No. 182), To amend the Ontario Medical Act.

Bill (No. 147), To amend the Railway Employees and Commercial Travellers Voting Act, 1923.

Bill (No. 149), To amend the Local Improvement Act.

Bill (No. 138), To amend the Ontario Insurance Act.

Bill (No. 124), To amend the Marriage Act.

Bill (No. 176), To supplement the Revenue of the Crown of the Province of Ontario.

Bill (No. 185), Respecting Public Service Works on Highways.

The Order of the Day for the third reading of Bill (No. 61), To amend the Temiskaming and Northern Ontario Railway, having been read.

Ordered, That the Order be discharged, and that the Bill be forthwith again referred to a Committee of the Whole, with instructions to amend the same.

The House accordingly resolved itself into the Committee; and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Black reported, That the Committee had amended the Bill as directed.

Ordered, That the Bill be read the third time forthwith.

The Bill was then read the third time, and passed.

The House resolved itself into a Committee to consider Bill (No. 105), To amend the Hospitals and Charitable Institutions Act, and, after some time spent therein, the Committee rose.

The Order of the Day for the third reading of Bill (No. 153), The Ontario Temperance Amendment Act, 1925, having been read,

Mr. Nickle moved,

That the Bill be now read the third time.

Mr. Raney moved in amendment, seconded by Mr. Lethbridge,

That the Bill be not now read the third time, but be read a third time this day six months hence.

And the amendment, having been put, was lost on the following division:—

YEAS.

Biggs.	Bragg	Carmichael.	Carty.
Fisher.	Freeborn.	Kemp.	Lethbridge.
McCallum.	Mewhinney.	Nixon.	Raney.
Ross.	Sangster.	Sewell.	Sinclair.
Taylor.	Wallis.	Widdifield.	

—19

NAYS.

Armstrong.	Belanger.	Black.	Brackin.
Bradburn.	Callan.	Carr.	Chambers.
Chambers (Oxford)	Clarke. (Brockville)	Cooke.	(Wellington)
Edwards.	Ferguson.	Finlayson.	Ecclestone.
Godfrey.	Goldie.	Gray.	Garden.
Harcourt.	Heenan.	Henry.	Graves.
Hillmer.	Ireland.	Irvine.	Hill.
Joynt.	Keith.	Lewis.	Jamieson.
McBrien.	McCausland.	McCrea.	(Grey)
McKnight.	MacBride.	Mageau.	Lyons.
Martin.	Monteith.	Nesbitt.	McKeown.
Owens.	Patterson.	Price.	Mark.
Spence.	Stedman.	Stuart.	Nickle.
Trewartha.	Vaughan.	Weichel.	Proulx.
Wright.			Tellier.
			Wilson—57.
			(Windsor)

The motion for the third reading having been then again proposed,

Mr. Heenan moved, seconded by Mr. Callan,

That the Bill be not now read the third time, but be referred back to the Committee of the whole with instructions to insert a provision, that liquor with the increased alcoholic strength cannot be sold for consumption on the premises, except in licensed hotels.

And the amendment, having been put, was lost.

The motion for the third reading of the Bill, having been then again put,

Mr. Heenan moved in amendment, seconded by Mr. Callan,

That the Bill be not now read the third time, but be recommitted to a Committee of the Whole House with instructions to strike out the clause which provides a maximum number of prescriptions—being subsection 1a of section 6.

And the amendment, having been put, was lost.

The motion for the third reading having been then again proposed,

Mr. Heenan moved in amendment, seconded by Mr. Homuth.

That the Bill be not now read the third time, but be recommitted to the Committee with instructions to insert a provision providing that Doctors cannot charge more than fifty cents for each prescription.

And the amendment was declared to be out of order.

The motion for the third reading having been then again proposed, was carried and the Bill was read the third time and passed.

Mr. Wilson (Windsor) moved, seconded by Mr. Weichel,

That in the opinion of this House it is desirable that legislation at this Session should be enacted providing for the sale of beer, spirits and wines under a system of Government control upon the principle of Local Option.

Mr. Pinard moved in amendment, seconded by Mr. Brackin,

That the motion be amended by striking out the word "This" in the second line thereof and substituting therefor the word "next."

And a debate having ensued, it was

Ordered, That the Debate be adjourned until a subsequent hour to-day.

The motion for resuming the adjourned Debate on the motion and amendment *re* sale of beer and wines under a system of government control, having been called,

The motion and amendment, were, by consent of the House, withdrawn.

The Order of the Day for the third reading of Bill (No. 165), To amend the Highway Improvement Laws having been read.

Ordered, That the Order be discharged, and that the Bill be forthwith again referred to a Committee of the Whole, with instructions to amend the same.

The House accordingly resolved itself into the Committee; and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey), reported, That the Committee had amended the Bill as directed.

Ordered, That the Bill be read the third time forthwith.

The Bill was then read the third time, and passed.

The Order of the Day for the third reading of Bill (No. 167), To amend the Provincial Highways Act having been read.

Ordered, That the Order be discharged, and that the Bill be forthwith again referred to a Committee of the Whole, with instructions to amend the same.

The House accordingly resolved itself into the Committee, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey), reported, That the Committee had amended the Bill as directed.

Ordered, That the Bill be read the third time forthwith.

The Bill was then read the third time, and passed.

The House resolved itself into a Committee to consider Bill (No. 162), Respecting Representation of the People in the Legislative Assembly.

And the House having continued to sit until Twelve of the Clock midnight.

FRIDAY, 10TH APRIL, 1925.

The House continued in Committee,

And, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Black reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time forthwith.

Mr. Henry then moved,

That the Bill be now read the third time.

Mr. Nixon moved in amendment, seconded by Mr. Taylor,

That the Bill be not now read the third time, but be read the third time on this day six months.

And the Amendment, having been put, was lost on the following division:—

YEAS.

Fisher.	Freeborn.	Heenan.	Lang.
McCallum.	Mewhinney.	Nixon.	Kemp.
Ross.	Sewell.	Sinclair.	Taylor.—14
Wallis.	Widdifield.		

NAYS.

Acres.	Armstrong.	Belanger.	Berry.
Black.	Bradburn.	Carr.	Chambers.
Clarke.	Colliver.	Cooke.	(Oxford)
(Brockville)	Ferguson.	Finlayson.	Currie.
Edwards.	Goldie.	Gray.	Garden.
Godfrey.	Henry.	Hill.	Graves.
Harcourt.	Irvine.	Jamieson.	Hillmer.
Ireland.	Keith.	(Simcoe)	Johnston.
Keefer.	McBrien.	Kennedy.	Lewis.
Lyons.	Mark.	(Peel)	McCrea.
Mahony.	Nesbitt.	McCausland.	Monteith.
Morel.	Rankin.	Martin.	Pinard.
Price.	Stuart.	Patterson.	Spence.
Stedman.	Wilson.	Rowe.	Trewartha.
Vaughan.	(Windsor)	Sweet.	Wright.—56.
		Willson.	
		(Niagara Falls)	

PAIRS.

McKnight.....	Proulx.
MacBride.....	Sangster.

The motion for the third reading, having been then again proposed,

Mr. Heenan moved in amendment, seconded by Mr. Lang,

That the Bill be not now read the third time, but be recommitted to a Committee of the Whole with instructions to create a new Electoral District out of Kenora, Thunder Bay, Port Arthur, and Sault Ste. Marie.

And the amendment, having been put, was lost.

The motion for the third reading having been then again proposed, was carried and the Bill was read the third time and passed.

Mr. Finlayson, from the Committee on Public Accounts, presented their Report, which was read as follows:—

Your Committee has had produced before it certain vouchers, accounts, correspondence and particulars in connection with the Public Accounts of Ontario, for the fiscal year ending the 31st October, 1924, which it has carefully examined, and your Committee has also considered evidence in connection therewith.

Your Committee has investigated the allegations that commissions were paid by the Home Bank of Canada, in connection with the purchase by that bank of \$4,000,000.00 debentures of the Province of Ontario, in the year 1919. The Committee has obtained evidence from all witnesses who seemed able to give any information in connection therewith, and submit herewith the evidence and documents obtained upon such inquiry.

Your Committee has investigated the affairs of the Highway Department, and has obtained the report of an extensive audit of that Department, and find that a most lamentable state of affairs has existed in the bookkeeping of that Department. For long periods, there were no books of entry showing the disposition of very large sums of money, and in other cases the books of account have disappeared. The Committee is glad to observe that the Auditor's report shows that a proper system of accounting and auditing has now been installed.

Your Committee has continued the investigations of last year in reference to the purchase of inscribed stock from the Provincial Securities Company, and the disposition of the profits made in connection therewith. It is recommended that the evidence and documents in connection therewith be submitted to the Attorney General for his consideration.

The investigation started last year, in connection with the operation of the Savings Assurance Agency, Limited, with the Provincial Bank, has been continued, and a full report thereon has been obtained from competent auditors, and such report is submitted herewith, and incorporated in the evidence taken by your Committee.

Attached hereto is a list of the witnesses who were examined on oath by your Committee.

Your Committee has held during the Session ten meetings and submits herewith the minutes of the proceedings and the evidence given, as taken by the stenographer.

Witnesses examined by Public Accounts Committee:—

A. E. Nash, Auditor, Toronto; E. C. Drury, Crown Hill; W. E. Raney, Toronto; F. C. Biggs, Dundas; M. J. Haney, Toronto; R. P. Gough, Toronto; S. Casey Wood, Toronto; Clarence Smith, Montreal Que.; J. T. White, Toronto; A. J. Walker, Auditor, Toronto; A. C. Caldwell, Dundas; Geo. R. Harris, Hamilton. (*Appendix No. 3.*)

Resolved, That this House doth concur in the foregoing Report.

On motion of Mr. Ferguson, seconded by Mr. Henry,

Ordered, That the full Sessional Indemnity be paid to those members absent on account of illness, or other unavoidable cause.

On motion of Mr. Ferguson, seconded by Mr. Henry,

Ordered, That when this House adjourns To-day, it do stand adjourned until Tuesday next, the Fourteenth day of April instant, at Three of the Clock in the afternoon.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Report of the Women's Institutes, Ontario Department of Agriculture, 1924. (*Sessional Papers, No. 36.*)

Also—Report of the Agricultural and Experimental Union. (*Sessional Papers No. 29.*)

Also—Report of the Ontario Veterinary College, 1924. (*Sessional Papers, No. 49.*)

Also—Report Statistics Branch, Ontario Department of Agriculture. 1924. (*Sessional Papers, No. 40.*)

Also—Report of Ontario Agricultural College and Experimental Farm, 1924. (*Sessional Papers, No. 28.*)

Also—Report Department of Agriculture, 1924. (*Sessional Papers, No. 27.*)

Also—Report of Board of License Commissioners, on operation of The Ontario Temperance Act, 1924. (*Sessional Papers, No. 26.*)

Also—Report respecting Prisons and Reformatories for 1924. (*Sessional Papers, No. 24.*)

Also—Report respecting Hospitals and Charitable Institutions for 1924. (*Sessional Papers, No. 23.*)

Also—Report respecting Hospitals for Insane and Feeble-Minded and Epileptics for 1924. (*Sessional Papers, No. 21.*)

Also—Report of the Ontario Railway and Municipal Board for 1924. (*Sessional Papers, No. 43.*)

Also—Report of the Department Lands and Forests for 1924. (*Sessional Papers, No. 3.*)

Also—Report of The Hydro-Electric Power Commission of Ontario, 1924. (*Sessional Papers, No. 46.*)

Also—Return to an Order of the House of 27th March, 1925: That there be laid before the House, a Return showing all correspondence passing between the solicitors of Alva Lindsay McBride, widow of Kenneth McBride, deceased, and the Department of Lands and Forests and between said Department and said solicitors regarding back pay due the said Kenneth McBride at his decease and compensation due the widow on account of said decease and all correspondence from other parties with said Department and by the said Department with other parties in relation to the same. (*Sessional Papers, No. 74.*)

Also—Return to an Order of the House of April 3rd, 1925, That there be laid before the House, a Return showing—1. How many timber areas have been disposed of by the present Government down to the date hereof (a) by way of permit, (b) by way of addition to areas previously disposed of, (c) by way of sale or tender. 2. To whom were these areas disposed of to. 3. What prices were received for the different kinds of wood and timber. 4. In how many of the above cases was there inserted in the contract a wage clause as provided by Resolution of this House adopted April 14th, 1924. (*Sessional Papers, No. 75.*)

The House then adjourned at 1.35 a.m.

Tuesday, April 14th, 1925.

PRAYERS.

3 O'CLOCK P.M.

His Honour the Lieutenant-Governor proceeded in State to the Legislative Assembly and being seated upon the Throne,

Mr. Speaker addressed His Honour in the following words:—

May it please Your Honour:

The Legislative Assembly of the Province, having at its present Sittings thereof passed several Bills to which, in the name and on behalf of the said Legislative Assembly, I respectfully request Your Honour's Assent.

The Clerk Assistant then read the titles of the Acts that has passed, severally as follows:—

An Act respecting the Corporation of the Municipality of Paipoonge.

An Act to incorporate the Village of Ripley.

An Act respecting the City of Windsor.

An Act respecting the Township of Etobicoke.

An Act to amend the Act to incorporate the Evangelical Lutheran Synod of Canada.

An Act to confirm By-law No. 567 of the Town of Harriston.

An Act to amend Section 2 of Chapter 114, 62 Victoria, respecting the Young Women's Christian Association.

An Act to incorporate the City of North Bay.

An Act respecting the City of Toronto.

An Act respecting the City of Brantford.

An Act respecting the City of Sarnia.

An Act respecting the Town of Gravenhurst.

An Act to authorize the Trustees of the Toronto General Burying Grounds to acquire and hold additional lands in the County of York.

An Act respecting the City of Owen Sound.

An Act respecting certain Churches therein named.

An Act respecting the Village of Forest Hill.

An Act respecting the Town of Walkerville.

An Act respecting the Town of Sandwich.

An Act to amend the Consolidated Essex Border Utilities Act.

An Act respecting the City of Windsor.

An Act to authorize John McRobie to make application to practise Optometry.

An Act respecting the Township of Stamford.

An Act to incorporate the Christian and Missionary Alliance in Canada.

An Act respecting the Township of North York.

An Act to confirm family arrangement in respect of the Estate of Thomas Nihan, deceased.

An Act respecting the Town of Hawkesbury.

An Act respecting the Town of Sturgeon Falls.

An Act respecting the City of London.

An Act respecting the Town of Hawkesbury.

An Act respecting the Town of Timmins.

An Act respecting the Town of Carleton Place.

An Act respecting the City of Toronto.

An Act respecting the Municipality of Shuniah.

An Act respecting the Township of East York.

An Act respecting the Town of Weston.

An Act respecting the City of Sault Ste. Marie.

An Act respecting the Township of York.

An Act to incorporate the Ottawa Charitable Foundation.

An Act respecting the City of Ottawa.

An Act to further amend the Act incorporating the St. Patrick's Asylum of Ottawa.

An Act respecting the Town of Sudbury.

An Act respecting the City of Galt.

An Act respecting the Town of Kapuskasing.

An Act respecting the City of Oshawa.

An Act respecting Saint Michael's Cemetery.

An Act to incorporate the Duluth and Ontario Railway Company.

An Act respecting the City of Hamilton.

An Act respecting the Town of Whitby.

An Act respecting the Town of Brampton.

An Act to enable the Executors of the late Edmund Boyd Osler to make a certain gift out of his estate for Public purposes.

An Act respecting the Commissioners for the Queen Victoria Niagara Falls Park.

An Act to amend the Temiskaming and Northern Ontario Railway Act.

An Act to establish the Boys' Welfare Board of Ontario.

An Act to amend the Natural Gas Conservation Act.

An Act to amend the Mining Act of Ontario.

An Act to amend the Public Vehicles Act.

An Act to amend the Local Improvement Act.

An Act to amend the Succession Duty Act.

An Act to amend the Assignment of Book Debts Act.

An Act for the control and Eradication of the European Corn Borer.

An Act to amend the Prisons and Public Charities Inspection Act.

An Act to amend the Statutes Act.

An Act to amend the Conditional Sales Act.

An Act to amend the Wages Act.

An Act to make further provision for Northern and Northwestern Ontario Development.

An Act to amend the Ontario Companies Act.

An Act to amend the Surrogate Courts Act.

An Act to amend the Ontario Architects Act.

An Act to amend the Ontario Land Surveyors Act.

An Act to amend the Ontario Public Service Act.

An Act to amend the Public Health Act.

An Act to amend the Cemetery Act.

An Act to amend the Succession Duty Act.

An Act to amend the Audit Act.

An Act respecting the City of Toronto.

An Act respecting the Township of York.

An Act to amend the Pounds Act.

An Act to authorize the Lieutenant-Governor in Council to guarantee the payment of certain Debentures.

An Act to incorporate the Parry Sound and Northern Ontario Railway Company.

An Act to amend the Forest Fires Protection Act.

An Act to amend the Marriage Act.

An Act to amend the Highway Traffic Act, 1923.

An Act to amend the Debentures Guarantee Act, 1924.

An Act to amend the Ontario Money Lenders Act.

An Act to amend the Factory, Shop and Office Building Act.

An Act to amend the Power Commission and Companies Act, 1924.

An Act to amend the Public Utilities Act.

An Act to amend the Ontario Insurance Act.

An Act to amend the Ontario Insurance Act, 1924.

An Act to amend the Loan and Trusts Corporation Act.

An Act to amend the Ottawa Civic Hospital Act.

An Act to amend the Marriage Act.

An Act to amend the Surrogate Courts Act.

An Act to amend the Railway Employees and Commercial Travellers Voting Act.

An Act to amend the Local Improvement Act.

An Act to impose a charge for Fire Prevention Purposes.

An Act to provide for imposing a Tax on the Purchasers of Gasoline.

The Ontario Temperance Amendment Act, 1925.

An Act to repeal the Billiard Room and Bowling Alley License Act.

An Act to amend the Health Department Act.

An Act to amend the Public Libraries Act.

An Act to amend the School Laws.

An Act to confirm an Agreement between the Hydro-Electric Power Commission of Ontario, the City of Toronto and the Toronto Harbour Commissioners.

An Act respecting the Representation of the People in the Legislative Assembly.

An Act to amend the Workmen's Compensation Act.

An Act respecting Natural Gas.

An Act to amend the Highway Improvement Laws.

An Act for raising Money on the Credit of the Consolidated Revenue Fund.

An Act to amend the Provincial Highway Act.

An Act to amend the Corporations Tax Act.

An Act respecting the Township of Tisdale.

An Act to amend the Registry Act.

An Act to amend the Land Titles Act.

An Act to amend the Optometry Act, 1919.

An Act to amend the District of Cochrane Act, 1922.

An Act to amend the Horticultural Societies Act.

An Act to supplement the Revenue of the Crown in the Province of Ontario.

An Act to amend the Executive Council Act.

An Act to amend the Legislative Assembly Act.

An Act to amend the Ontario Companies Act.

An Act to amend the Power Commission Act.

An Act to amend the Ontario Medical Act.

The Drugless Practitioners Act.

An Act to amend the Hydro-Electric Railway Act.

An Act respecting Public Service Work on Highways.

An Act to amend the Highway Traffic Act, 1923.

The Municipal Amendment Act, 1925.

The Assessment Amendment Act, 1925.

An Act to amend the Interpretation Act.

An Act to amend the Ontario Game and Fisheries Act.

An Act to amend the Wolf Bounty Act.

An Act respecting Industrial Schools.

To these Acts the Royal Assent was announced by the Clerk of the Legislative Assembly in the following words:—

“In His Majesty’s name, His Honour the Lieutenant-Governor doth assent to these Acts.”

Mr. Speaker then said:—

May it please Your Honour:

We, His Majesty’s most dutiful and faithful subjects, the Legislative Assembly of the Province of Ontario, in Session assembled, approach Your Honour with sentiments of unfeigned devotion and loyalty to His Majesty’s person and Government, and humbly beg to present for Your Honour’s acceptance a Bill intituled “An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st day of October, 1925, and for the public service of the financial year ending the 31st day of October, 1926, and for other purposes therein mentioned.”

To this Act the Royal Assent was announced by the Clerk of the Legislative Assembly in the following words:—

“His Honour the Lieutenant-Governor doth thank His Majesty’s dutiful and loyal Subjects, accept their benevolence and assent to this Act in His Majesty’s name.”

His Honour was then pleased to deliver the following Speech:—

Mr. Speaker and Gentlemen of the Legislative Assembly:

In bringing your legislative labours to a close, I desire to commend the diligent and thorough consideration you have given to the various important matters that have engaged your attention.

I am glad to observe that the outlook for agriculture at the present time is more favourable than it has been for a number of years. The climatic conditions give every assurance of substantial yields, and the trend of prices is encouraging to farm production. Plans for improving the agricultural industry were submitted to you in the valuable report prepared by the special Committee appointed for that purpose, which, I trust, will lead to advantageous results. Some of the recommendations of the Committee have already met with your approval, and others will, no doubt, open up a wide range of subjects for helpful discussion and consideration.

The importance of additional steps to improve the facilities for rural education has led to the introduction of a Bill to establish wider areas for the administration of rural schools. Before passing this measure it is hoped that constructive suggestions may be received during the recess in order that the law, as finally enacted, may prove of practical advantage to the whole Province, and mark another stage in the progress of rural school development. Amendments to the School Law, which you have adopted, will extend the privileges and equalize the contributions made in aid of secondary education more particularly for the benefit of the rural populations, and will give to county councils a more direct voice in the administration of schools which they support.

The financial provision made for further extensions of the power developments of the Hydro-Electric Power Commission will serve to meet the requirements of the systems in the immediate future. It is recognized, however, that, as the needs of the Province are constantly growing, new projects must be undertaken in order that we may avoid a shortage of electrical energy. In this connection, the development of the powers of the St. Lawrence River is of outstanding importance and will, I trust, be facilitated in every possible way. It is apparent that a due regard for the future of this Province points to the undesirability of our becoming involved in any projects for the exportation of electrical power.

Further legislation was enacted to improve the highway system and to provide greater safeguards for the public. As a measure of safety, the restrictions upon the use of headlights have been increased, and all drivers of motor vehicles will be required, after January 1st, 1926, to obtain permits, which may be cancelled for cause.

Your action in levying a tax on gasoline used by motor vehicles will serve to provide funds for the construction and maintenance of the public highways. These great undertakings are now a heavy charge upon the community, but they are indispensable to the existing methods of transportation. The new tax will operate as a charge proportionate to the use made of roads, thus ensuring an equitable distribution of the financial burden.

The amendments to the Ontario Temperance Act will, I trust, facilitate the enforcement of the measure and contribute to its efficiency. The fundamental principle of the law has been maintained, while a cause of hostility to it has been removed. The experience in the operation of this Act has long pointed to the advisability of amending it so as to create a greater respect for law observance, not only in the interest of this particular enactment, but for the advantage of law and order generally in the community.

Recent observations of the geological conditions underlying the mining fields of Northern Ontario have revealed the fact that the mineralized area is of much wider extent and value than has hitherto been supposed, and have led to activity in the country adjacent to the boundaries of Ontario and of Quebec. Explorations in these fields have resulted in the location of gold- and copper-bearing deposits of much promise in the Province of Quebec. A large proportion of these properties is owned or controlled by citizens of Ontario, who are anxious to operate them as soon, and as economically, as possible. The Government has, therefore, authorized the extension of the Nipissing Central Railway into the new district, being confident that the early development of these properties and means of communication between the mining fields of Ontario and of Quebec will give an impetus to this great industry and prove of advantage to the whole country. Moreover, their common interest in the development of nature's munificent gifts should do much to strengthen the spirit of unity and co-operation between these two sister provinces.

I am glad to observe that you have made further provision by way of a loan for the development of Northern and Northwestern Ontario, and for the purposes of land settlement. The public faith in the future of our undeveloped areas is being vindicated more and more as time passes, and as their opportunities and possibilities are becoming more widely known. I have every assurance that the expenditures the Province is making for the development of Northern and Northwestern Ontario will prove to be wise investments.

A problem which has for a considerable time engaged public attention has been dealt with by the adoption of the Drugless Practitioners' Act. The measure authorizes the establishment of a Board of Regents to provide a standard of qualifications for, and to exercise general supervision over, those engaged in the treatment of human ailments by what are known as drugless methods. All such practitioners will be required to register and to comply with regulations prescribed by the Board for the benefit of their vocation and the protection of the Public.

As a result of conferences between representatives of the Province of Quebec and of this Province, an arrangement was arrived at some time ago for reciprocal legislation to obviate the double taxation of estates for Succession Duty purposes. Action along this line was taken recently by the Quebec Legislature, and I observe that you have embodied the principle of reciprocity in the Statutes of this Province.

The readjustment of the representation of the people in the Legislative Assembly, provided for in the Act you have passed, will remove inequalities which have become somewhat marked of recent years by reason of the increase

of the population in the urban centres. While the redistribution will not become effective during the lifetime of the present Legislature, the early adoption of the measure constitutes timely notice to all concerned of the changes in the constituencies made by the Act.

Steps taken from time to time to protect the forests from destruction by fire are meeting with very satisfactory results. As a means of apportioning the cost of this work, an Act has been adopted providing for a charge upon railway lands which hitherto have not contributed to the upkeep of this service. I desire to draw attention to the approaching week of educational effort designed to arouse public interest in the subject of forest-fire protection, and to invite the fullest possible co-operation in this useful movement.

The amendments to the insurance laws are designed to complete the codification made last session and to add certain important features. Assessment Plan Life Insurance Clubs are required to be licensed and to charge rates adequate to the obligations assumed. The amalgamation of fraternal societies is facilitated in the interests of sound life insurance. The provisions of the law relating to Reciprocal or Inter-insurance Exchanges are brought into force. I observe also that you have provided that all contracts of fire insurance upon property situate in Ontario, made in provinces which have adopted the Residency Agency Law, must be countersigned by licensed agents resident in Ontario.

Among the other measures which have engaged your attention are Bills: To establish the Boys' Welfare Board of Ontario; respecting the Hydro-Electric Railway Act; to amend the Natural Gas Conservation Act; to amend the Legislative Assembly Act; to provide for the registration of Bee-Keepers and for other purposes.

It is reassuring to observe that the estimates of expenditures indicate that progress is being made in the policy of retrenchment which has become a matter of prime importance to the Province. While efficiently maintaining public undertakings and making provision for the growing demands upon the various services, my Ministers are hopeful that with economical administration, and the new sources of income you have made available, the balance between revenue and expenditure will shortly be restored.

In conclusion, I thank you for the enactment of much beneficial legislation; and I trust that, under the blessing and guidance of Almighty God, a greater measure of prosperity will attend the labours of our people, and that happiness and comfort will be their portion in every walk of life.

The Provincial Secretary then said:—

Mr. Speaker and Gentlemen of the Legislative Assembly:

It is His Honour's will and pleasure that this Legislative Assembly be prorogued and this Legislative Assembly is accordingly prorogued.



List of Appendixes

TO THE

**Journal of the Legislative Assembly
1925**

1. Report of the Agricultural Enquiry Committee, 1924.
2. Report of the Game and Fisheries Department, 1925.
3. Report of the Public Accounts Committee, 1925..

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1925

Journal of the Legislative Assembly

1925

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and the Legislative Assembly

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VOTES AND PROCEEDINGS

OF THE

LEGISLATIVE ASSEMBLY OF THE PROVINCE OF ONTARIO

TORONTO, THURSDAY, APRIL 17TH, 1924.

On motion of Mr. Martin, seconded by Mr. Ferguson, it was

Ordered, That a Committee of this House, to be composed of Messrs. Jamieson (Grey), Thompson (Lanark), Trewartha, Black, Keith, MacBride, Belanger and Lethbridge, be appointed to enquire into and study all matters concerning the social, educational and economic conditions surrounding the agricultural, live stock and dairying industries of the Province in all their various branches and phases, including the production, improvement, packaging, standardizing, shipment, transportation, marketing and other methods of advantageously handling the products of those industries, and all other aspects of the subject requiring investigation and attention; and that the said Committee be instructed to gather all information it may deem essential or useful to enable the Government to prepare plans and methods looking toward the betterment of existing conditions, both in the interest of the producer and the consumer, and for the more effectual co-operation between the urban and rural populations, for the progress and stability of these great basic industries, as well as the general prosperity of the Province. That the said Committee have power to sit during the Recess, to engage necessary assistance and report to the Legislature.

Report of the Agricultural Enquiry Committee, 1924

The Committee appointed to study the agricultural interests of the Province and prepare plans looking towards the betterment of existing conditions adopted three methods—public meetings, conferences, questionnaires.

In pursuance of the first method the Committee held public sessions, which were adequately reported in the daily press and farm papers, as follows:—

Guelph.	Warton.	Trenton.
Hamilton.	Kitchener.	Picton.
Grimsby.	Orangeville.	Napanee.
Brantford.	Brampton.	Kingston.
Simcoe.	Perth.	Oxdrift.
St. Catharines.	Ottawa.	Port William.
Welland.	Renfrew.	Port Arthur.
Sarnia.	Russell.	Emo.
Chatham.	Cornwall.	Kapuskasing.
Essex.	Winchester.	Hearst.
St. Thomas.	Brinston.	Cochrane.
Woodstock.	Kemptville.	New Liskeard.
Stratford.	Brockville.	Bracebridge.
Clinton.	Vankleek Hill.	North Bay.
London.	Oshawa.	Hanmer.
Durham.	Port Hope.	Chelmsford.
Walkerton.	Lindsay.	Sault Ste. Marie.
Thornbury.	Peterborough.	Thessalon.

By the second method the Committee discussed the farmer's disadvantages directly with representatives of the railways, the Canadian Manufacturers' Association, wholesale, retail and labour organizations and citizens interested in economic and social conditions. All these conferences were reported in the press and the interest thereby aroused was entirely beneficial.

By the third method a list of questions was addressed to Wardens, Township Clerks and agriculturists and a survey of farming conditions accomplished.

The enquiry was begun in the spring when backward season and unfavourable prices were against the farmer. Before summer passed an assured crop and better returns had brightened the outlook. Agricultural prospects continued to improve throughout the balance of the year.

The enquiry was marked throughout by sustained interest on the part of the farming community. The purpose of facilitating the basic industry by a Province-wide study was furthered in every practical way by all concerned or invited to co-operate. The aim of all is to find a stabilizing plan to suit Ontario in some such manner as the President of the United States proposed in November to his Agricultural Committee and as the Government has also undertaken in Great Britain.

Comment has been repeatedly made in regard to the first method of enquiry. The meeting places were selected upon the advice of the local Members and Agricultural Representatives. Notice was given by advertisement in the press.

Farmers and others concerned were cordially invited to attend and state grievances or make suggestions. All complaints and constructive ideas were followed up and thoroughly sifted. The mass of detailed probing done by the Committee was appreciated by all concerned. Results show that cause of local grievances has been removed and that many suggestions offered at these meetings have found acceptance. Some few statements were made that could not be substantiated. Such statements represented harmful prevalent impressions which the efforts of the Committee have largely removed. Further it may be said that defective information is widespread throughout the Province concerning existing Government facilities for encouraging agricultural enterprise.

Acknowledgment is due to Ministers and officials of Federal and Provincial Departments; to municipal officers; to agricultural colleges, farm bureaux and educational institutions on this continent and in the British Islands; to co-operative and business concerns throughout Canada and abroad, by whom information was courteously and promptly afforded.

The Report is arranged by subject with recommendations attached.

DAIRYING.

According to the Dominion Dairy Commissioner the value of milk and its products in Canada in 1923 was \$238,693,885. The Ontario part of the total was estimated for this Committee by the Ontario Director of Dairying at \$84,060,830.

CHEESE.

The price of cheese at the factory is recognized as the standard of value of Ontario dairy products. The average price for 1924 was a fraction over sixteen cents per pound. The cheese factories being without suitable storage facilities and concerned about realizing on quick sales dispose of their product at low price to Montreal. A distinct phase of dissatisfaction among dairymen in Eastern Ontario is their dependent relationship to the Montreal Produce Merchants' Association. The Federal Government has established large storage in Montreal and of necessity the bulk of the Eastern Ontario cheese goes there before export. A report from the Secretary of the Montreal Harbour Commissioners says the exporting houses storing cheese in Montreal are firms who buy the goods outright and take their own risk on the export market. About fifty per cent. of space available for cheese, however, is given over to co-operative organizations of producers.

It is contended that the grade of export cheese should be branded on the rind. Cheesemakers and patrons hold that without some stamp cheese graded No. 2 may be sold by the exporter at No. 1 price. On May 1st, 1924, the Federal authority enforced the regulation under the Dairy Products Act for marking the grade of cheese upon the package for export. The Montreal Produce Merchants' Association then raised the differential between the price of No. 1 and No. 2 grade from one-half cent to two cents per pound. On June 19th, 1924, Leeds County dairymen passed a resolution, not, however, with unanimity:—

"That, in the opinion of the dairymen of Leeds County in convention assembled, the Montreal Produce Merchants' Association have demonstrated that they are a combination in restraint of trade and a menace to the success of the building up of a permanent and profitable export trade in Canadian cheese."

The Committee took the matter of differential up with the Montreal Produce Merchants' Association with the result that the Executive Committee of that body reported a revised differential of one cent. Their letter was not written till November 18th, although in it the statement was made that the differential had been reduced on May 15th. The information of the Committee, however, was that no redress could be secured from firms that had deducted two cents during the season. At the United Dairymen Co-operative auction sales the differential was never one cent per pound.

It had also been contended that the grade turned on too slight cause and question was raised as to the qualification of graders. The Dominion Dairy Commissioner, in this connection, says:—

“The best men available have been selected in every case. When positions are vacant they are advertised. All the applications are considered by a competent Board appointed by the Civil Service Commission and unless members of the Board have personal knowledge of the applicants there is usually a personal interview and the best man gets the position every time. They are then employed for a probationary period of six months so that in case they should not prove to be competent, their services can be dispensed with before permanent appointment is made. I am glad to say that we have been able to retain every one who has been appointed. The competency of the graders is of very great importance to us and we can be depended on, I think, to see that only good men are employed.”

Ontario co-operative organizations have made some effort in export competition with the Montreal Produce Merchants' Association. The co-operative scheme received support from the Ontario Department of Agriculture and a comparatively large amount of public money has been spent upon it. It was spent to educate factory patrons and to ascertain whether patrons really demand better marketing arrangements.

The business structure built up in Montreal will stand until something of a distinctly better character replaces it. In the opinion of this Committee the future is in the hands of the co-operative movement. But maintenance of price in England cannot be disregarded by co-operative companies. To forestall underbidding and loss in the English market all Canadian cheese should be exported through one Commission national in character. The creation of such Commission is dealt with in this Report.

A second phase of dissatisfaction rests between the factories and a small section of their patrons. Discontent in this direction alleges among its causes opportunity under the Dairy Standards Act for unsatisfactory, incompetent or fraudulent testing of milk. It is also contended that testing for butter fat alone permits indifference on the part of milk producers about the sanitary character of milk. This Committee went into the few centres of unrest and heard divided opinion in all of them. Afterwards further enquiry was pursued. The Committee, however, failed to find evidence of injury to the cheese industry as an effect of resentment engendered by the Dairy Standards Act. The holdings of cheese for all Canada on November 1st, 1924, amounted to 22,468,981 pounds, as compared with 17,390,461 pounds at the same date in 1923. Figures are available for comparison month by month which show percentage of first grades

well maintained. The total quantity of cheese exported from Canada in twelve-month period ended October, 1924, was 118,874,300 pounds, as against 117,810,800 for 1923. The value of cheese exported in the same twelve-month period showed a decrease of \$2,073,912, accounted for by lower average price.

Objection to the Dairy Standards Act is further expressed because the Act leaves the basis of payment for milk optional as between the Babcock test for fat content and the test plus the factor two. This Committee has had the benefit of representative dairy opinion on this point. The factor two stands upon sound basis under all conditions and is accepted by dairy authorities as a reasonable value of the casein or curd, the most important protein in milk, which usually varies in mixed market milk between two per cent. and three per cent. It is essential in cheese-making. The intention of the Statute in leaving the option open was doubtless to afford both patrons and cheese-makers ample opportunity for coming to a thorough understanding of the fairness of the factor two.

In regard to standards and sanitary characteristics of milk supplied to a factory the interests of patron and maker are mutual. The quality and condition of milk are primary factors of the value of the product. Government instruction and inspection should safeguard all interests.

The small factory is a problem of the dairy industry. A Provincial Act was passed in 1923 to encourage consolidation of cheese factories, but no advantage has been taken of the facilities afforded. The Director of the Dairy Branch says:—"We must have factories of sufficient size to enable the management to engage competent men." The Dominion Dairy Commissioner says:—

"The time has come when, unless we have some reorganization of the factory system in Ontario, we are going to fall behind in the competition for the world's markets. The situation has entirely changed in the last few years with the advent of large quantities of butter and cheese from the southern hemisphere. In Australia, New Zealand and Argentine the factories are all very large. The largest cheese factory in Canada would be called a small one in New Zealand. This is also true in the case of Australia and Argentine. The trade appreciates the advantages in handling these large outputs. Quality is always important, but it is not the whole case."

The Committee is of opinion that small, inefficient plants can only be eliminated through voluntary action on the part of the patrons concerned and believes that when the producers are convinced of the financial benefits, they will proceed towards consolidation.

Ontario is a small consumer of its own cheese. The average Canadian eats three pounds of cheese in the year, which includes a considerable percentage of the imported article. The Committee has had the suggestion repeated that if made in small sizes our own cheese would win popular favour. In this connection the Dairy and Food Commissioner of Wisconsin says:—

"Notwithstanding the considerable number of varieties of cheese produced in Wisconsin, it is difficult to say that this has had an appreciable effect of increasing the per capita consumption of cheese. The per capita consumption of cheese is claimed to be approximately four pounds."

The Wisconsin consumer, with ten-pound prints and five-pound loaves prepared for him, eats one pound more cheese than his Canadian neighbour. Development of a domestic taste for cheese must depend upon additional methods. It is recommended that the Dairy Branch ascertain to what extent cheese is placed on domestic sale before being sufficiently matured and whether the manufacture of small loaves in Ontario would increase consumption of cheese.

We are importing from the United States each month up to 10,000 pounds of cheese which sells in attractively packaged and handy quantities up to sixty cents per pound. The Professor of Dairying at the Ontario Agricultural College says:—

"The fancy small cheese, such as Camembert, Gervais, Club, Kraft, Cottage, etc., sold on local markets should be investigated and their composition determined with a view to fixing fair standards of composition when offered for sale in Ontario. Little is known regarding the composition of this class of cheese."

The Department of Farms and Markets, State of New York, supplies the composition of types of cheese imported from the United States:—

	Camembert	Limberger	Roquefort
Total solids.....	49 to 54%	53 to 70%	59 to 65%
Fat.....	30 to 32%	29 to 37%	28 to 37%
Protein.....	16 to 19%	17 to 28%	20 to 23%
Salt.....	3.19 to 4.17%	.86 to 3.14%	3.65% to 7.05%

The Professor of Chemistry at the Ontario Agricultural College reports that many varieties of soft cheese are wrongly sold under the name "cream" cheese. This Committee believes the Dominion authorities should protect the producer of cream and the public.

BUTTER.

Ontario butter has long been subordinated to cheese and fluid milk. Up to 1920 competition ruled principally in respect to price. The market absorbed everything. A highly competitive business is now developing. Keener interest is being taken in the care of cream and in study of the volatile substances in butter recognized by taste and smell. Pasteurizing and grading are essentials in the best creameries.

The Director of the Dairy Branch informs the Committee that in 1923 factory butter from 249 creameries totalled in value over \$600,000 more than the cheese of the Province. Farm dairy butter added made an aggregate of \$26,000,000.

Ontario butter, increasing in output, looks to the export market, in which uniform quality has high commercial significance. The Professor of Dairying makes the lesson plain for Ontario butter makers:—

"Ontario butter does not enjoy the same good reputation in the export trade as does our cheese. The cause of this inferior quality of butter is largely due to the method of collecting cream from the farms once or twice a week. The cream is frequently spoiled before it reaches the creamery. While neutral-

ization and pasteurization help to improve the quality of the butter, it is impossible to make finest butter out of spoiled cream. The remedy is to adopt either the whole milk form of creamery or collect the cream from the farms more frequently—once in two or three days at the longest. I believe that in the districts where cow population is large, the whole-milk form of creamery is best. The cream under this system is separated at the factory by large capacity centrifugal machines and the skim milk is condensed or powdered. This form of creamery will be able to make largest returns to the milk producer. The chief drawback is lack of dairy by-products on the farm.

"In a district where the cow population is comparatively small, the cream collecting and the cream shipping creamery are the only practicable kinds. To these the cream should be shipped or hauled at frequent intervals—often enough to prevent sour, stale and off-flavours in the cream and butter."

The Dominion Dairy Commissioner explains the comparative inferiority of Ontario in the butter industry by saying:—

"The creameries in Western Canada have been organized on modern lines; they are centralized and have large outputs of uniform quality and under one brand. For that reason the butter from the prairie provinces is the most popular to-day on the U.K. markets and yet in grading returns the Western ranks lower than butter made in the East. The importers say they don't want to be bothered with small lines of different characters and brands no matter if the quality is right. This is a very important matter in supplying dairy produce to the Old Country under present day conditions."

Mr. R. Johnston, Princeton, says:—

"Cream grading furnishes the incentive to the producers to care for the cream properly and to deliver it to the creameries sweet. Payment on grade standards is of as great importance as the payment by grade for the finished product."

This Committee was amply supplied with figures covering cream prices over the Province. The conclusion reached is that cream producers are paid what the competition for cream is willing to concede. When cream is graded in Ontario as in other Provinces producers can expect a better price the year round.

The Committee recommends that sec. 4 of the Act to Improve the Quality of Dairy Products (Dairy Standards Act) be amended to enforce the grades for cream approved by the Dominion Dairy Conference, 1923, as follows:—

"(A) Table Cream: This grade shall include any lot of sweet, clean-flavoured, non-frozen cream bought for re-sale for household use and which is produced under conditions that comply with the special requirements of the municipality in which it is to be sold for consumption. The acidity of cream of this grade shall be not more than twenty one-hundredths of one per cent. (.20%) at the time of grading. The term 'Table Cream' may be supplemented by the trade terms 'Inspected' or 'Extra Special,' as the initial purchaser may in each case uniformly adopt.

"(B) Special Grade: This grade shall include any lot of cream which is clean in flavour, of uniform consistency and fit for making into Special Grade

butter. The acidity of cream in this grade shall not be more than thirty one-hundredths of one per cent. (.30%) at the time of being graded at the creamery where it is to be manufactured into butter.

“(C) First Grade: This grade shall include any lot of cream which is reasonably clean in flavour, of uniform consistency and fit for making into butter of this grade. The acidity of cream in this grade shall not be more than sixty one-hundredths of one per cent. (.60%) at the time of being graded at the creamery where it is to be manufactured into butter.

“(D) Second Grade: This grade shall include any lot of cream that does not meet the requirements specified for the next higher grade; such as cream which is butter, stale, musty, metallic, or otherwise unclean in flavour.

“(E) Off Grade: This grade shall include any lot of cream with a very objectionable odour or flavour, such as kerosene, gasoline, stinkweed, onions, or such other flavours as may render cream unfit for making into second grade butter.”

Among all sorts of butter offered on the market the Federal Food and Drugs Act Regulations demand that whey butter only must be labelled. Some of the large cheese factories have facilities for churning their own whey cream; other smaller factories sell their whey cream to outside creameries. Whey butter has as high food value as the creamery product.

FLUID MILK.

The vital relationship of milk to human welfare calls for research and experiment in all countries. Supervision of fluid milk in Ontario has been neglected.

Mr. A. H. Fair, at the session held in Kingston, said:—

“Both as a producer and a distributor of milk, I feel that things are wrong in this city and other cities. What we want is pure milk and there is very little done by the Department to let the people know what pure milk is. What is done is to leave the matter to the municipalities. The municipalities practically do not act at all. Milk is our most important food. Bad milk has done much harm. Many diseases are contracted from dirty milk. It is easy to understand this without the bacteriological test. Raw milk, if you are assured it is free from tuberculosis and cleanly handled, is the best food for children. If it is not that sort of milk it must be pasteurized. The Government comes up in face of this condition and says there are only two classes of milk—certified and pasteurized. It is a long cry from certified milk to the milk gathered up from a number of farmers. I am in favour of Grade A milk as between the two. It should be made clear that you have or have not put the standard too high in certified milk. Why not adopt Grade A milk and admit that such milk produced under sane, sanitary conditions is the requirement.”

Dr. J. W. S. McCullough, Provincial Chief Officer of Health, reporting to the Committee, refers in the first instance to bovine tuberculosis and adds:—

“But other diseases, such as scarlet fever, diphtheria, typhoid fever, septic sore throat, and particularly infant diarrhoea, are carried by this product. The means of protection against these diseases are the instruction of the producers in the proper care and feeding of the cows, their cleanliness, the cleanliness of the handlers, by rapid transportation and by instruction of distributors and consumers in the proper care.

"The testing of herds against tuberculosis will give security only against that disease and not for the others mentioned. The one means of protection which will cover all the diseases mentioned is pasteurization, which means heating the milk to 148° F. for half an hour, followed by cooling to 40° F. and keeping it at this temperature till used.

"In view of this it is suggested by some authorities that the control of municipal milk supplies should be taken out of the hands of the municipality and controlled by Government regulations, and that all local milk supplies should be under the authority of the Provincial Health Department. As the law now stands, a great deal of effort is spent by the Health Department in endeavouring to educate the producer, the consumer and the municipal authorities in the necessity of the use of clean methods in handling milk and in inducing local authorities to pass by-laws for this purpose. It is a slow process, but is perhaps after all the best one, because once the public is educated respecting the value of clean production and distribution of milk, nothing will induce them to return to the dirty methods formerly prevailing."

The Director of Dairying for Ontario reports:—

"One of the most outstanding needs from a health standpoint is a method of inspection which will ensure to the consumer of milk and cream a pure, sanitary product."

There is no question that milk may be graded like any other food commodity. Grading benefits producer and consumer. If the producer of Grade A milk, as suggested by Mr. Fair, receives only ten cents per can premium it will mean recognition of dairymen who are clean and conscientious in their methods. Eardley Finch, Belmont, President of the Elgin-Middlesex Farmers' Limited, furnished the Committee with copies of cards upon the scoring of which his company meets the requirements of the City of New York. Grade A milk demands from the producer:—

- Freedom from disease in the herd.
- Cleanliness and sanitary character of premises.
- Sterilized utensils.
- Udders of the cows clean.
- Hands of the milker clean and dry.
- Small-topped milk pail.
- Cheesecloth strainer sterilized by boiling.
- Different strainer cloth morning and evening.

This Committee believes that introduction of Grade A milk will increase consumption among those who can afford to purchase larger daily supply.

Although evidence shows that more farmers are going into milk production, they are not all making remunerative return. Typical evidence was given at Napanee by W. H. Hunter, a producer and distributor, who said:—"I find that I can buy milk cheaper than I can produce it. I pay \$1.70 per 100 pounds."

The working relations of the Milk Producers' Association and the dairy companies distributing fluid milk in Toronto stand in a measure upon the principle of co-operation. Somewhat similar conditions are found in all Provincial urban centres. The Manager of the Farmers' Dairy says:—"We

endeavour to maintain mutually satisfactory relations with the producers. We confer with them and ask them to confer with us. We have had always satisfactory relations. Of course, every one is looking for value."

A delivery system controlled and managed by the producers would be an alternative plan. Reference is called for in this connection to recent history of the Dairymen's League of New York. First incorporated in 1907, the League was reorganized after the Great War as the Dairymen's League Co-operative Association Inc., mainly to cope with the marketing problem. The Association sells its milk in four classes with a different price for each class, depending upon the purpose for which the dealer uses it. The plants owned by the co-operative association are not proving entirely efficient or satisfactory. The Association takes the prices it receives for the different classes of milk and pools them, paying the farmer the resulting pool price.

Various cities in the United States and Canada have tried out different ways of dealing with the milk problem. The Fraser Valley Milk Producers have virtually a monopoly of the milk supply to Vancouver and New Westminster. They organized in 1917 and some time later established local depots and wholesaled milk to distributors. In 1919 a subsidiary company was formed, called the Fraser Valley Dairies, Limited, for distribution and selling. The latter is a stock company, the shares of which are subscribed by members of the parent body. All returns from whole milk, cheese, butter, etc., are pooled and the same price paid to members for the milk. The producers report that they received sixty-five cents of the consumer's dollar.

Another form of milk producers' organization is in operation around St. Paul and Minneapolis. The Twin Cities Milk Producers' Association wholesales its milk to distributors. The price varies according to the combined price of cheese and butter. The Association has several creameries to absorb the surplus in the heavy producing season, including one in St. Paul, which takes care of the total surplus unpurchased or returned over daily need. The Association decides whether a member shall ship to the city or deliver to the local factory.

A general impression prevails that the first and most direct means of dealing with the spread in respect to fluid milk from producer to consumer is elimination of the duplicated service of men, horses and wagons engaged in city milk delivery. The suggestion of municipal milk supply has been heard at the majority of meetings of the Committee within the Toronto milkshed. Mr. C. J. Babcock (Market Milk Investigations in Washington), says:—"With regard to the distribution of milk as a municipal service, I know of no city in the United States where this has been undertaken. It has been seriously considered in Jamestown, N.Y., but I believe it has never been put into force." The Mayor of Jamestown informed the Committee that, owing to a question as to the validity of the bonds for a municipal milk plant under the New York State Constitution, the proposed project had not been put into operation and will not be undertaken till the question has been determined by the highest Court in the State.

Mr. James McLeod at Cornwall reiterated what producers all say:—"We want an aggressive campaign for increased consumption of milk in Ontario." The Manager of the Farmers' Dairy said:—"The people are using less milk and I believe, in some cases, the reason is they have not the money to buy it." Evidence such as this was heard at many different places. Cost to the consumer must be considered in any campaign to promote larger consumption.

CREAM.

The erroneous impression survives that cream is under Federal, Provincial and municipal authority. The Chief of the Dominion Division of Dairy Markets reports:—"As far as I am aware, there is no Federal legislation at the present time fixing a fat standard for cream." Up to June 29th, 1922, Regulations under the Federal Food and Drugs Act contained a minimum standard of eighteen per cent. milk fat, but in the new Regulations passed on that date there was no mention of cream. No information is forthcoming as to the reason for the dropping of the standard. The omission apparently went unnoticed by the municipalities, as the by-laws of different cities indicate. The Ontario Statutes do not provide a standard for cream for human consumption. Wholly inadequate information is obtainable about Ontario commercial cream production. In the Toronto district the price is agreed upon between the Producers' Executive and the Retailers' Executive.

In the United States the standard for cream is generally eighteen per cent. milk fat. By Food Inspection Decision 178, United States Department of Agriculture, sweet cream must contain not less than eighteen per cent. of milk fat and not more than 0.2 per cent. of acid reacting substances calculated in terms of lactic acid; whipping cream not less than thirty per cent. milk fat. The Committee recommends that this standard be included in the Ontario Milk Act.

Export of cream from Quebec and Ontario is increasing rapidly. The following statement shows exports to the United States of Canadian cream:—

Year ending March 31st, 1922.....	1,671,678 gal.	\$2,479,080
" " 1923.....	1,712,241 "	2,793,937
" " 1924.....	2,783,866 "	4,632,030

Cream was exported from all ports in the Province of Ontario in the following quantities:—

Fiscal year ended, March, 1924—731,436 gallons.....	\$1,793,944
April 1st to September 30th, 1924, 673,829 gallons.....	1,233,639

It must be remembered that Ontario cream in some quantity is exported through Montreal and other ports. The Ontario producer meets the United States standards in sending cream across the line. There is an import duty of twenty cents per gallon on cream to the United States.

ICE CREAM.

The Chief Analyst of the Dominion Department of Health reports under date August 25th, 1924:—

"Replying to your letter of the 8th inst., in which you make enquiry concerning the composition of ice cream as sold, I may say that this article has become very complex. It is recognized by the trade that plain ice cream may contain, besides fresh milk and cream, the following constituents:—Condensed milk, powdered milk, skimmed milk powder, butter, eggs, gelatine, starch and sugar, along with the flavouring material. This Department has made no systematic survey of the cream market since the abolition of the standards previously established by Regulations under the Food and Drugs Act."

The Analyst's report was asked for after the Medical Officer of Health for Toronto sent the following information to the Committee:—

"The greater bulk of our ice cream is manufactured from cream and whole-milk powder, while a very small percentage is made by using milk powder and a certain quantity of butter, but in no instance has our test shown that inferior or low grade materials are being used in the manufacture of this product."

A Dominion ice cream standard of fourteen per cent. was effective until May 1st, 1918, when Canada Food Board Order No. 34 becoming effective reduced the milk fat to ten per cent. On the 13th December, 1920, a seven per cent. standard became effective by Regulations passed under the Food and Drugs Act. The seven per cent. standard was dropped in the Regulations of 1922. No information is obtainable concerning representations upon which the ice cream standard was gradually eliminated.

Saskatchewan has a standard of ten per cent. milk fat. The United States Bureau of Chemistry advises that the average for all the States is slightly in excess of ten per cent. milk fat. Bulletin No. 1161 (June 7th, 1923), which deals with factors affecting quality of ice cream, shows conclusively "that there is a decided preference by consumers for the richest and sweetest and firmest products."

There being no Dominion standard for ice cream, the Committee recommends the adoption of the Saskatchewan regulation, which is as follows:—

"Ice cream is a frozen product made from cream and sugar with or without harmless flavouring, stiffening and colouring materials, the amount of which shall be less than two per cent. It shall contain not less than ten per cent. of milk fat. All milk, cream and other ingredients, excepting fruits, nuts and sweets, used in the manufacture of ice cream shall, immediately before manufacture, be heated to a temperature of not less than 180 degrees Fahrenheit and held at such temperature for fifteen minutes or to a temperature of not less than 145 degrees Fahrenheit and held at such temperature for thirty minutes. All fruits used in the manufacture of ice cream shall be sound, clean and mature, and nuts shall be fresh, sound and non-rancid."

CONDENSED PRODUCTS.

The value of Canadian condensed products was \$10,040,318 in 1923, an increase of forty-seven per cent. over 1922. Ontario accounted for \$8,460,684 of the total.

One company in Ontario reports its requirements of milk for 1924 at 75,000,000 pounds. Prices are set from time to time per hundred pounds of milk of a standard amount of fat—usually 3.5. Milk of higher or lower fat content is bought at higher or lower price. Prices paid by one firm during 1924 varied from \$2.00 to \$1.25 per 100 pounds of 3.5 milk. The price in mid-December was \$1.75.

Steadily increasing absorption of fluid milk in dried milk plants calls for more information concerning this industry. The market for these products is expanding and apparently offers more profit than the manufacture of cheese and butter. The increased market for milk necessarily benefits the dairy farmer.

More information with reference to the subject should be gathered. Prof. Georges Dreyer, Oxford University, says, concerning the increased output of powdered milk:—"Dirty milk is an evil, but no milk is a worse one. Nevertheless, we have not to choose between these two evils, for it is not necessary to put up with either. For myself, I feel sure that the drying of milk provides us, for the present, with a reasonable solution of our difficulties."

The Committee recommends that the Ontario Director of Dairying devote his whole time to dairying in its different phases.

FIELD CROPS.

SEED.

No single factor in the problem of agriculture is of more immediate concern in Ontario than seed. In legislation and educational activities Ontario should co-operate fully with the Federal Department of Agriculture and the Canadian Seed Growers' Association, looking to the success of a Dominion-wide scheme of production, control and marketing.

At the Orangeville session J. M. McNaughton (Mono Township) said:—"I think it is desirable to have some community plan of cleaning seed; to have a cleaner in some place where grain can be thoroughly cleaned before sowing." This expresses an essential need in Ontario for local seed-cleaning facilities. The opportunity is an attractive one for co-operative enterprise. A Provincial Act was passed in 1920 making provision for loans to co-operative associations in erecting seed-cleaning plants and potato warehouses, but it has failed of substantial effect. The reason ascribed by the Director of the Co-operation and Markets Branch is that a power cleaner may be purchased for \$600 to \$700 and a gasoline engine for about \$200 and this makes a small amount upon which to base a loan from the Government to a group of farmers.

The head of the Department of Field Husbandry at the Kemptville Agricultural School, where some work has been done in assisting Eastern Ontario farmers to get high-class seed, says:—

"Central seed-cleaning plants are very useful in districts where a large surplus of seed of any variety or varieties is produced. It allows farmers to send in their grain or small seeds to be properly graded and lumped with that of other farmers, makes possible the selling of carlots of uniformly graded seed suitable for interprovincial or export trade. Only a properly equipped central plant can function in this way. Important as this trade is now or could be made in Ontario, the greatest need is for assistance to the 'average' farmer, the one who feeds most of his grain on the farm and would benefit chiefly in the larger crops secured by using properly graded seed. To this class of farmers, and they are by all odds the largest class, the installation of suitable machinery in the local mill or feed store would be of most service. It appears to me that the programme of seed improvement should be along the line of establishing simple and reasonably inexpensive equipment in plants where there is already a source of power, such as local chopping mills, enabling farmers to bring grain

to be graded for seed just as they now bring grain to be ground for feed. The operator of the mill should be encouraged and assisted by the Agricultural Representative in the installation of the proper machines, and the farmers in the vicinity should be urged by the Representative to make use of the equipment."

Local seed-cleaning outfits have been a distinct success in the Province of Quebec. The Chief of the Field Husbandry Branch in this connection reports:—

"There is in this Province a large co-operative plant for the cleaning and handling of seeds which is established at Ste. Rosalie and possesses a very complete equipment of machinery. This has been established with the idea to offer for the general trade a higher quality of seed. But beside this organization it has been felt necessary to organize farmers locally for a more thorough and uniform cleaning of their seeds, especially in those districts that are far away from the central plant of Ste. Rosalie.

"In many instances we have to secure seeds of a given variety from a district where it is being produced, but up to a couple of years ago the buying of such seeds was made impossible on account of lack of uniformity in cleaning. This has given an opportunity for putting up some small plants consisting of large size fanning mill. We have found that the Clipper No. 147, which requires a motor of three horsepower, is the best suited for smaller organizations. This machine is operated at a farmer's place in a given centre, as near as possible to a railway station. It can be moved easily, if necessary. The Provincial Government is granting \$150 to farmers who wish to organize into a Seed Club (minimum of fifteen members) or to our regular Farmers' Clubs or Agricultural Societies for the buying of a Clipper No. 147.

"It is understood that the same man is to take care of the machine and operate it according to the instructions. We install the machine ourselves through special instructors who have been trained to that work and teach the farmers how to comply with the Federal Seeds Act.

"Farmers that are members of the Club are charged the cost price for the cleaning of their seeds and those that are not members are charged higher rates."

"The Clipper No. 147 will clean from 350 to 500 bushels of oats per day and it is found to do much better work than the smaller Clipper. Farmers find it much cheaper to belong to such a club and have their seed cleaned mechanically than to buy an individual small fanning mill and operate it themselves."

"When requested to sell seed abroad to the trade we induce farmers very strongly to buy uniform bags in large quantities so as to give better appearance to their shipment.

"It is considered that these outfits are profitable not only to those districts that are selling seeds, but to every farmer using them for their own farm. We have fifteen of these machines placed already and we have not had one complaint yet about them. Prospects are that eight or ten new ones will be bought early this fall."—(August 20th, 1924.)

The Committee has also been impressed by the Quebec Government scheme of demonstration fields originated in 1914 and now including 250 fields. Some of the aims are to encourage the use of well selected and cleaned seeds, to demonstrate the value of the best varieties for each given district and to illustrate the best methods of getting rid of weeds. The policy is not very expensive for the Department to carry. It supplies the seeds and gives instructions concerning preparation of the land and cultural methods. This plan is recommended for Ontario by the Committee.

WEEDS.

The Noxious Weeds Act of Ontario is ineffective. G. A. Bothwell, President of the United Farmers' Co-operative, at the Round Table Conference on August 27th, said:—"One matter causing me a great deal of anxiety at the present time is the spread of weeds throughout the country. The highways of the country are distributing a lot of noxious weeds. I have had a fight for the last ten years personally against the wild carrot. It is on the roadside. I have destroyed it, but it is allowed to spread, and this year I am almost discouraged." The Committee recommends that the Noxious Weeds Act be revised and that new legislation on this subject include enforcement by the Department of Agriculture. The Committee also suggests that a strong Province-wide campaign be undertaken to combat weeds with the co-operation of municipal councils, schools, Agricultural Representatives, organizations of various kinds, including Horticultural Societies and Women's Institutes and Clubs.

There is substantial complaint concerning re-cleaned grades of screenings which, although good stock feed, carry weed seeds of Western origin in such injurious quantity that it is safe from the weed standpoint to feed them to sheep only unless very finely ground. Representation to the Federal Department of Agriculture should be pressed in this connection.

BEANS.

The Counties of Huron, Elgin and Kent now produce half a million bushels of beans yearly. The quantity has declined substantially in recent years. With proper marketing methods and more reasonable railway rates the bean industry in Ontario should be equally profitable for growers and canners. The annual import of graded beans into Canada amounts to fully three-fifths of the Ontario crop. According to figures of the External Trade Branch of the Dominion Bureau of Statistics, 43,587 bushels were imported from the United States alone during the fiscal year ended March 31st, 1924, in addition to 1,196,562 pounds of baked beans in cans.

At the Clinton meeting a witness from Michigan interested in bean production said:—

"Here along the shore of the lakes you enjoy the ideal climate for producing the highest quality of beans. The heavy dews that fall each night upon your crop is the God-given condition for bean growing. There is no other part of the continent where the bean will grow as well as in this lake region. But no matter how delicious the bean may be the consumer will not eat dirt with it. It must be cleaned and the buyer demands an even grade also. He will not take anything else."

In Michigan official grades and regulations have been adopted by the Bean Jobbers' Association and the effect on the market has been a marked improvement. More than 400 bean elevators equipped with bean picking and handling machinery are required in preparing the field-run bean crop of that State for the market.

The freight rates on beans have been complained of as compared with wheat. The railways claim that because beans are a much more valuable commodity and shipped in smaller quantities, there can be no fair comparison of rates.

LIMESTONE.

Need of the soil for lime has been emphasized at meetings of the Committee in widely separated sections. The Professor of Chemistry at the Ontario Agricultural College has supplied the Committee with information concerning lime and soil fertility and adds:—

“We have had a good deal of experimental work in connection with lime and have been advocating its use for some time. The product we want the farmers to get can be procured from the waste dust in the large stone-crushing plants. It is cheaper than it can be ground from the original rock wholly for this purpose. We have endeavoured to get the freight rates lowered on this product, assuring the railways that this was a matter that was fundamental in crop production and which would bring returns in increasing transportation of farm products.”

The Bureau of Soils, United States Department of Agriculture, reported to the Committee:—

“There is no general rate for powdered limestone for the whole United States, as the rates vary not only in different sections of the country but on different railroads. In general, however, the rate is comparatively low, as it is well recognized that the use of ground limestone will increase railroad tonnage on farm crops and also increase the farmer's income, which will increase other railroad tonnage. Certain of the States have secured very low rates on limestone within their borders. We believe that a very much greater tonnage can and will be produced and used in the future as a large part of the Eastern United States can profitably use lime on leguminous crops such as clover and alfalfa.”

The Committee approached the Canadian railways with a request for special freight rates and the Canadian National has expressed willingness to consider a proposed tariff. A firm in Ontario, which is in a position to supply quantities of crushed agricultural limestone, has furnished the Committee with the following list of prices contingent on approval of the proposed tariff by the railways:—

Mileage	Present Freight	Proposed Freight	Proposed Base Price	Present Del. Price	Proposed Del. Price
0- 10.....	\$1 00	\$1 00	\$2 50	\$4 00	\$3 50
10- 20.....	1 10	1 10	2 50	4 10	3 60
20- 30.....	1 20	1 20	2 50	4 20	3 70
30- 40.....	1 30	1 30	2 50	4 30	3 80
40- 50.....	1 40	1 40	2 50	4 40	3 90
50- 60.....	1 50	1 50	2 50	4 50	4 00
60- 70.....	1 60	1 50	2 50	4 60	4 00
70- 80.....	1 70	1 60	2 50	4 70	4 10
80- 90.....	1 80	1 60	2 50	4 80	4 10
90- 100.....	1 90	1 60	2 50	4 90	4 10
100- 150.....	2 40	1 75	2 50	5 40	4 25
150- 200.....	2 90	1 90	2 50	5 90	4 40
200- 250.....	3 25	2 05	2 35	6 25	4 40
250- 300.....	3 60	2 25	2 25	6 60	4 50
300- 400.....	4 00	2 50	2 00	7 00	4 50
400- 500.....	4 50	2 75	1 75	7 50	4 50
500- 600.....	5 20	3 00	1 50	8 20	4 50
600- 700.....	5 70	3 25	1 50	8 70	4 75
700- 800.....	6 10	3 50	1 50	9 10	5 00
800- 900.....	6 70	3 75	1 50	9 70	5 25
900-1000.....	7 40	4 00	1 50	10 40	5 50

This is one of the tangible results following the investigations of the Committee and the matter should be followed to a satisfactory conclusion. With this prospect, it is the opinion of the Committee that provision should be made under the Tile Drainage Act for the loaning of money for the purpose of providing agricultural limestone. In this connection it should be understood that money for this purpose would be loaned on the certificate of the Agricultural Representative that the particular soil required lime.

With a reduced price for lime, reduced freight rates, provision for financing, help from the Agricultural Representative, there is no doubt hundreds of farmers in sections requiring lime would take advantage of these opportunities to increase their yields, the effect of which would be felt for years to come.

DRAINAGE.

The Tile Drainage Act, which provides for loans to farmers through the township councils at five per cent. interest, has been availed of but slightly in Central and Eastern Ontario. The Director of Drainage at the Ontario Agricultural College says:—"I am satisfied it is one of the most important avenues of approach in the solution of the farmer's financial status." As a witness at one of the sessions remarked, "Steps should be taken by the farmers to get the full benefit of Government facilities and educational co-operation."

Most of the tile plants are in Western Ontario and the cost of transportation of tile is so high that it is a drawback to the progress of drainage work. Correspondence and conferences with the railways have not advanced in any respect the proposals passed on to this Committee for more favourable rates on drain tile. The lesson of these negotiations with the railways is that the farmers of Ontario are lacking in organization and skilled service in the preparation and presentation of their case for lower freight rates. The Committee is of the opinion that the Department of Agriculture should extend expert assistance in this respect to co-operative organizations of farmers.

FRUIT AND VEGETABLES.

APPLES.

The Ontario apple grower is confident that increased production of right varieties and proper marketing will make this industry profitable. He is not put out by the increasing practice of Italian and Greek retail dealers in our Ontario cities and towns of featuring showy, well coloured, imported fruit in their stores. The consumer is the victim of this window dressing which hinders display of the better flavoured Ontario apple. It is to the credit of the British Columbia and Nova Scotia packers that their apples are graded and their pack is reliable.

In the last two or three years the apple crop of the Province has not been satisfactory considering that in no part of the world may better fruit be grown; notwithstanding also ready market for Ontario quality apples of the right varieties. The apple growing sections of the Province are widely separated one

from another. Considerations both of soil and climate count in determining the varieties best suited to different districts. This fact is not lost sight of; but much remains to be learned. This Committee recommends the establishment of a station in the Eastern district to test cultivation of profitable varieties for that section of the Province.

The Committee recommends that experts be appointed to assist Agricultural Representatives in large apple growing counties.

In 1922 a Special Committee of the House reported in favour of cold storage.

The New York State apple crop, like that of Ontario, is a barrel pack. This Committee went to the Director of the Bureau of Plant Industry, State of New York, for evidence on all points at issue. His statement is:—

“Up to the present time it is not apparent that selling co-operatively has increased the net returns of the New York State apple growers. The enforcement of our grading law has certainly increased the reputation of the New York State pack of apples, and because of that fact there has developed a good export and domestic demand. The packing and selling of fruit co-operatively up to this year has failed to materially increase the profits of the grower, because of the fact that the overhead charges of these organizations have seemed too high in proportion to the total amount of the business done. I am inclined to think that the total number of bearing apple trees in New York is not diminishing but increasing. There is a tendency, however, to get rid of some of the poorer, little known and unprofitable varieties and to develop finer dessert and culinary sorts to replace some of the older commercial sorts which are not ideal for either culinary or dessert use. The last two or three seasons have been unprofitable generally to the apple grower and this year we find many orchards producing a very light crop of poor fruit. This is particularly noticeable in the older orchards of a large part of the Western New York apple belt.” (October 7th, 1924.)

On the particular question of precooling he replied as follows:—

“Apples for export are not generally precooled. However, when shipped from Western New York for export they are usually shipped in refrigerator cars and our storage facilities are large enough so that a very large portion of the crop kept for domestic consumption, or to be later exported, is held in chemical cold storage.

“These cold storages are usually owned by cold storage companies and not by co-operative associations of producers. However, in the heavy apple producing areas many of the producers are stockholders in these cold storage companies. The cold storage business has been generally profitable and fairly large dividends have been paid.

“The Department of Farms and Markets has encouraged and assisted in the organization of producers' co-operative organizations. This assistance has to do with the organizing of such organizations and the introducing of proper accounting systems. The Department, however, cannot give any financial assistance. They do advise, however, as to the financial arrangements necessary for the organizing and floating of such organizations.”

In the development of export and domestic trade in New York State the experience thus reported by the Director is similar to what this present Com-

mittee learned concerning Nova Scotia. A conference was held with Mr. A. E. McMahon, Manager of the United Fruit Companies of Nova Scotia, Limited, Kentville, N.S., who explained the history and financial record of his organization. It is a record of steady advancement and success, although the smaller portion of Nova Scotia fruit is controlled. The purchasing and marketing features of the organization have been improved by experience and few departments in any year lost money. Last year a turnover of \$2,196,000 cost 1.8 per cent. Mr. McMahon does not consider cold storage requisite. Dry storage of apples and potatoes in frostproof wooden warehouses is essential. Right grading and packing according to immediate market requirements allow the apples to come in reliable condition before the consumers. Mr. McMahon impressed the Committee by his account of saving effected in cost and increase accomplished in production by co-operative measures. The co-operative saving applied to fertilizers, spray materials, seeds, merchandise, flour and feed. The cost of this company discloses exceptionally low figures compared with marketing organizations in Ontario reporting to this Committee. Mr. McMahon was frank in declaring from personal knowledge of the fruit growing districts of Ontario that natural conditions in Nova Scotia cannot match this Province for production of the best varieties of apples, whilst with our larger fruit areas we can achieve the special advantages of volume in the English markets.

If co-operative organizations are to participate in the marketing of Ontario apples they must provide storage warehouses. This Committee cannot recommend Government assistance to either private enterprise or producers' co-operative organizations. Storage is and will continue to be an attractive business proposition.

TENDER FRUITS.

In the lake shore fruit districts from Toronto to Niagara the Committee heard representations for precooling of tender fruit. There is large investment of money in the industry in this section and land values are high. A precooling plant was constructed at Grimsby by the Federal Department of Agriculture but was taken over by the present owners three years ago. A report by the Dominion Cold Storage Commissioner says:—

"I don't think the cost of the Grimsby plant would be of very much value to you because you must remember it was erected for experimental purposes, not for commercial purposes, and both in its design and equipment it contained a great many things which are not essential for a purely commercial institution.

"As regards the question whether it paid or not—that all depends on the point of view. The rates charged by the Government for handling the fruit did not cover the cost of operation, but the cost of the plant was saved over and over again to the fruit growers of the district by the improved prices which they got for their fruit, and I think that is the way in which the matter has to be viewed. There isn't any doubt in the world as to the value of such a plant for the handling of tender fruits but you can never run a plant of that kind charging ordinary rates and expect the rates to pay for operation and capital outlay. Some credit must be given for the enhanced value of the fruit. I believe the whole Niagara district has benefited from the operation of the plant at Grimsby, although only a small proportion of the total crop has been handled there."

The tender fruit crop, absorbed for canning and eaten fresh in cities and towns, has been considered carefully in conference with the railways. Fresh fruit must be delivered in as perfect condition as possible. The Dominion Fruit Transportation Specialist wrote on December 29th:—

"Handling of the tender fruits of Ontario by Canadian National Express was greatly improved in the past season by the addition of a ventilating feature in their express cars, of which thirty were in service. These cars, palace horse cars in design, have been in the same service for several seasons, but unventilated other than by the side shutters and the cupola side lights being open. The result was insufficient ventilation and excessive admission of cinders and dust, though with insufficient air changing through the load.

"For this season thirty of these cars were equipped with a forced air circulation. Briefly, it consisted of air intakes on the roof of the car which in motion fed a steady stream of fresh air through ten air ducts to the space under the false flooring of the car, whence it was forced upward through the load. At a nominal speed of thirty miles per hour our tests established that the intake and exhaust velocity represented a complete change of air in less than one and one-half minutes. The intakes were trapped for weather and cinders, only a very fine soot reached the floor and the load at destination was found to be remarkably clean.

"This improvement has earned the commendation of both shippers and jobbers. It is just what was required for the medium short haul within Ontario and to Montreal. The Dominion Express Company have had a car somewhat similar in principle in service for several years. Interested officials in the Canadian National Railways are recommending that all forty-five of these leased cars be equipped for ventilated service for next season."

The Clarkson Fruit Growers' Association are anxious to secure a plant for the precooling of strawberries. The land around Clarkson is particularly adapted to strawberries and the quantity grown in the section covered by the Association is approximately 3,000,000 quarts or about twenty-five per cent. to thirty per cent. of the total production of the Province. The market for this crop is principally in Toronto and Montreal. These two cities fall far short of absorbing the whole of the crop. The growers are satisfied that with precooling they could ship to Winnipeg and other Western cities. They explain that with the introduction next year of new standard berry boxes they can ship to Rochester, Cleveland, Pittsburg, New York, Philadelphia, Detroit and Chicago. If the fruit can be placed in the United States market in a sound condition the Association will find no difficulty in selling the entire crop.

A report obtained from the Louisiana Farm Bureau Federation says:—

"The strawberries handled by the Farm Bureau Exchange are not pre-cooled in a regular plant. All the precooling that is done is that of icing the car during the very early morning hours, usually from two to five o'clock a.m. The berries begin to arrive from the field about noon and are placed in the car as rapidly as they come in. As soon as the car is loaded it is closed and picked up by our express freight service. This is all the precooling that is done."

The committee also communicated with the Ozark Fruit Growers' Association, Monett, Mo., and received the following reply:—

"We do not precool the strawberries. This was tried out in an experimental way in 1922 and 1923, but I do not think it was a success. There might be some

improvements made which would make it successful, but so far we cannot recommend the precooling of strawberries in the full sense of the word 'precooling.' It would take something like a day to do this and that would mean a holding over of that length of time and the buyers want fresh stock. If cars can be precooled a few hours in advance of loading, we have found so far it is the most successful plan."

The Dominion Fruit Transportation Specialist reports under date December 29th:—

"Experiments by the Fruit Branch were carried out during the past season in British Columbia and New Brunswick in precooling loaded refrigerator cars of strawberries before shipping at points where precooling facilities are not otherwise provided. The results obtained and the interest of the shippers in these localities have encouraged us to plan a somewhat more elaborate programme of similar experiments for the season of 1925.

"No experiment of this nature has been undertaken in the Clarkson district, the bulk of their marketing being by ventilated express service to Montreal. We would of course be glad to undertake such a demonstration for the benefit of the Clarkson shippers and the district generally if any carload shipper there made a request. Such a demonstration would of course involve a supply of ice for re-icing of the car before forwarding.

"It is presumed that the principle of this method is understood. After an iced car is loaded one sixteen-inch fan is placed on top of the load in each end of the car facing the ice containers and accelerating a circulation of warm air from the load on to the ice containers. There this warm air is chilled, falls to the floor, under the load and upward through the load. This same circulation is provided for in any correctly loaded car, the load being over a floor rack, stripped and braced and with longitudinal spacing. Warm air rises from the load and is replaced by chilled air coming from the bunkers and under the floor rack. The principle of fanning is to accelerate this circulation, to increase the speed of ice meltage and its absorption of heat. As the load is reduced to a satisfactorily low temperature its own generation of heat is reduced and the task of refrigeration made easier."

IMPORTS.

A great number of complaints have been made to the Committee by fruit and vegetable growers of the Province that our local markets are every year almost satiated with imported early produce when these Ontario products are ready. There are differences of opinion about meeting the situation. The subject is one, however, for Federal decision and action. All round the United States tariff doubles the corresponding Canadian duties.

Information is not available upon which a division of imports between canning factories and consumers of the fresh products can be based. According to figures supplied by the External Trade Branch of the Dominion Bureau of Statistics, the value of fresh fruits and vegetables, such as Canadian farms produce, imported into Canada from the United States during the fiscal year ended March 31st, 1924, was \$8,499,721. Included in this total are apples, \$878,333; pears, \$782,464; grapes, \$773,348; strawberries, \$740,699; tomatoes, \$1,010,759.

LIVE STOCK.

Hogs.

Canadian bacon is gaining in the British market. The progress made is not yet proportionate to the opportunity afforded our farmers to produce in quantity bacon hogs suitable for British demand and is not commensurate with Federal and Provincial Government expenditure upon stimulation of bacon export. The total amount of bacon sent from Canada to Great Britain constitutes only ten per cent. of the bacon imported. Canadian like Danish bacon is exported to England as "Wiltshire cuts," that is, sides with the hams and shoulders attached. It is smoked by the English wholesalers prior to distribution to retailers. General Gunn told the Committee that if farmers produce in greater numbers the right kind of hog, Ontario will get its full share of the British market and a fair price.

The Deputy Minister of the Dominion Department of Agriculture informs this Committee that in 1922 the average monthly difference in price between Canadian and Danish bacon was twenty-eight shillings per hundredweight in favour of Denmark. In 1923, this differential was reduced to thirteen shillings six pence, while for the first eleven months of 1924 the average monthly difference in price was ten shillings nine pence, with a marked improvement over this during the closing months of 1924, as evidenced by the following monthly averages:—

September.....	Danish,	116/6.....	Canadian,	108/6.....	8/0
October.....	"	116/6.....	"	111/6.....	5/0
November.....	"	115/6.....	"	110/6.....	5/0

At great expense the Dominion and Provincial Governments have combined in a vigorous campaign for select bacon hog production, and there is evidence that the percentage of selects is increasing. The premium paid for the select hog is an inducement to breed the type wanted by the British consumer of bacon. The Danish hog for this requirement has been developed from the native breed. Denmark as a competitor has had a long start of Canada in this respect.

A general complaint heard was that drovers do not allow the farmers the benefit of grade. At a conference with the packers on November 19th the point was threshed out. The following is an extract from the record:—

MR. THOMPSON, M.P.P.: "It is quite true you can bring in a grader once in a while and grade your hogs, but the great majority of hogs are bought by drovers through the country and shipped together, and either the drover or the packer or somebody else is getting the advantage of the high-class hog and not the man who produces."

GEN. GUNN: "Did you put tags in the hogs' ears?" A.—"No."

GEN. GUNN: "I raised 375 and ran seventy-five per cent. select and there is no hog comes out without being tagged."

MR. THOMPSON: "It is not generally known throughout the country."

MR. TREWARTHA, M.P.P.: "It is generally known in our town."

MR. LETHBRIDGE, M.P.P.: "It is not done in ours; either the drover or the packer gets the advantage."

MR. TODD (Secretary Council of Canadian Meat Packers): "At the time grading was inaugurated there were three undertakings given: that the Government would grade the hogs; that the packer would pay the premium for the select hog; that the farmer would secure that premium. There are three responsibilities in this thing. One is that the Government should grade the hogs so that everybody knows what the grades are. The second is that the packer shall pay the premium. Now he cannot pay that premium unless he knows who he is going to pay it to. The third is that the farmers should organize to secure that premium. Methods have been devised for the marketing of hogs. Directions are sent out for the purpose. Pamphlets have been issued by the Government dealing with it and everything has been done nearly that can be done except that the farmer has not quite faced his part of getting a method of selling, either by arrangement through his drover or by some organization in the way of a co-operative shipping club, to secure the grading of his hogs."

The Dominion Live Stock Commissioner supplied the following definite information to the Committee on December 29th:—

"In districts where there is a fair percentage of select hogs there does not seem to be much difficulty for the farmers to secure the premium as they themselves exert sufficient influence to bring the premium back. They do this either by co-operative shipping or through a drover who is forced to purchase on a graded basis. On the other hand there are districts where only a few farmers have good hogs and they are the men who experience the greatest difficulty in obtaining the premium. The drover feels that in order to do business he must pay all farmers the same, and as there is not a sufficient number who have good hogs to force him to purchase on a graded basis, he continues to operate in this way.

"We have a special tag which is available to farmers through our branch at 36 Adelaide Street East, Toronto, and if the farmer tags his hogs, then ascertains to whom the drover sells, he can obtain the premium upon application to the packer buyer. This is, of course, difficult to carry out in many cases and the problem is only satisfactorily solved when sufficient farmers in a district are interested in obtaining the premium that they can force the drover's hand. Consequently we are endeavouring through promotion work, in co-operation with the Provincial Department, to improve the hogs in such districts as experience trouble, so that the farmers then will be in a position to demand and obtain the premium.

"In marking hogs for co-operative shipment we have found that clipping is more effective and practical than tagging and consequently we have encouraged the development of this practice."

A reason advanced by some farmers for slow progress in the British market is expressed in the following evidence by D. J. Taylor, M.P.P., at the Wiarton session:—

"The real objective of the bonus on graded hogs is not attained now. The real object was to follow the select hog into the British market where the stamp 'Canadian' would be seen on the bacon. The British consumer could then have confidence in Canadian products. We have no knowledge of any inspection after the hog passes from the farmer as a thick smooth or select. If the select bacon hogs were followed by the Government stamp into the British market the effect would be to increase the production of bacon hogs in Ontario fifty per cent.

It would be to the advantage of the farmer and of the abattoir. If the bacon from the select hog is not stamped first-class Canadian product, we are gaining nothing in the British market."

The laws of commercial nations recognize health inspection and not type. All British bacon imports come within regulations established under the Food Act, 1907. The Danish red mark known as "Lur Brand" was recognized by the Local Government Board of Great Britain, January 26th, 1909, and the same official circular gives equal recognition to the highest Canadian certificate designated "Maple Leaf." These Danish and Canadian markings therefore have the same significance. They certify that the meats so marked are from carcasses absolutely free from disease and in which no trace of tuberculous deposit has been found. All the bacon Denmark delivers to Great Britain bears the red "Lur" mark. Most of the bacon sent from Canada bears the health inspection certificate "Canada Approved," which does not guarantee absolute freedom from disease.

The volume of Canadian export business in the product of U.S. hogs is disclosed by the following extracts from letters from the Deputy Minister of Customs and Excise:—

"The total exports of Canadian bacon and hams, shoulders and sides during the fiscal year ended March, 1924, were, according to our records, 996,245 hundredweight. This includes American pork cured in Canada." (August 8th, 1924.)

"The amount of imported American pork, cured and exported, upon which drawback was paid during the fiscal year 1923-24—25,242,484 pounds."— (August 20th, 1924.)

At a session of the Committee on November 19th the following statement was made by Mr. J. S. McLean (representing the Harris Abattoir) and was in substance repeated or endorsed by the other packers present:—

"I don't suppose there has been a carload of American product go out of Ontario for six months or out of Canada. And anyway there never was, I am quite certain, any such disposition on any scale. I don't think this American bacon ever was sold in any quantity that was worth speaking of as Canadian bacon. If it had been sold it is possible it might have had some very trifling effect that could not be important at all in its bearing on the general Canadian situation and the interest of the marketing of Canadian product. I think this question of American bacon has ceased to have any importance at all in connection with the consideration of Canadian problems. I think it is worth while settling and it is fortunate it has been raised. One thing perhaps that has not had emphasis is this, that this began as a war trade. Great Britain was extremely anxious for all the Wiltshire bacon she could get. Great Britain served Wiltshire bacon to the army. Canadians had been accustomed to cured Wiltshire bacon; the Americans had not. There was practically no Wiltshire bacon shipped from the United States to England. Denmark was cut off, so it was a natural development during the war. Some of the Canadian bacon curers who could not get nearly enough Canadian product to fill the demand for Wiltshire cured, went to the United States and began to buy carcasses there and brought them over here because they had not curing plants in the United States. That is how it began, in a very natural way. It was natural that it

should not cut off like a knife after the war. The houses continued to cure this because they had outlets for this cured product. But the trade is gradually settling back to the pre-war conditions; the trade has disappeared and it no longer has any importance at all in connection with the marketing of our Canadian products."

In the interests of Canadian farmers and consumers this Committee recommends that bacon from United States hogs sold in Canada or abroad be plainly marked to indicate to the consumer that it is the "Product of United States hogs." United States Health Inspection stamp and marking of packages for consignment abroad "Product of U.S. hogs" are inadequate.

A condition that leaves much to be desired is found with regard to bacon for home consumption. An advertisement of one of the abattoir companies makes an assertion not to be questioned that "not ten per cent. of the bacon eaten in Canada is perfect bacon."

The value of bacon and hams, dry salted pork, pork barrelled in brine and sausage imported into Canada from the United States during the fiscal year ended March 31st, 1924, according to the figures of the Dominion Bureau of Statistics, External Trade Branch, was \$2,159,048.

The following remark by General Gunn at the conference with the packers is important to those handling hogs:—"Throughout Denmark the hogs are driven carefully, using a special kind of whip which is a little leather flap, whereas here it is surprising the loss we sustain through bruising, and I think your Committee should dwell on that feature." It is estimated that the loss from hog bruising in Canada in a year is \$900,000.

BEEF CATTLE.

To maintain selling volume is the problem of the abattoirs and this has been difficult since the close of the war brought collapse in the export trade of chilled beef to England. The abattoirs contend producers would serve their own advantage by more regular supply and by shipping only animals suitable for the market. There is trouble in taking care of the peak cattle supply in Toronto; but on the other hand the expense of carrying animals over winter has substantially increased in recent years.

Education and co-operation may go far to lessen the loss of millions of dollars sustained in bruised and injured cattle. The animals are sometimes driven with heavy sticks; often they are brought to the railway station in small and inadequate racks; frequently yards and pens are badly constructed; usually some are knocked down and trampled through the handling of railway engines; and finally a proportion of injury is caused by horned cattle. All of this score counts against profit for the Ontario cattle raiser.

Ocean rates hold down export trade to Britain. It is true that 1924 shows the largest shipping of any year since the embargo was removed, running 80,000 head. But it is obvious that Ontario alone is capable of producing beef cattle in volume far exceeding the present export trade. A special bulletin of the Dominion Department of Agriculture in 1923 welcomed removal of the embargo

as a new order of things warranting official experiments in the shipment of steers to England. The experiments were intended to demonstrate to cattle raisers that live cattle realize considerably higher returns than chilled beef shipments. This Committee has followed shipments from Western Ontario to England conducted by men experienced in the cattle trade and the results showed that as many were unprofitable as profitable. One of the first witnesses before this Committee said:—

"I am the only farmer in a ten-mile area who has cattle for export in his barn. I have ninety-five acres and from fifty to fifty-five cattle. There are a hundred others at least who could feed and accommodate as many in the section. They have the barns. But they do not enter the trade because there is no profit in it. Ontario should be able to ship as many live cattle to England as does Ireland. It would mean prosperity to the Province. The market is in England for as many as we can send, no matter what they say about the dead meat trade. The business does not prosper because it is without the attraction of profit."

The potential power of Ontario to engage in the movement of live cattle to Britain cannot be fully appreciated because of existing influences. Mr. Shamberg, of New York, is the chief buyer for export. Mr. Shamberg's agents are in the Union Stock Yards, Toronto; in the office of the International Mercantile Marine at No. 1 Broadway, New York, and at the British ports. The Committee satisfied itself that the usefulness of the Canadian Government Merchant Marine is limited by the North Atlantic Freight Conference. It came to the conclusion that with his widespread power and influence Mr. Shamberg controls the profits of Ontario cattle raisers. He has inside information at all times by reason of which he can cancel optioned spaces or send his own cattle according to the trend of the market. The less optimistic in Ontario have been driven out and the industry is not what it should be.

The Dominion Minister of Agriculture at Winnipeg in August said:—

"Public sentiment is the only instrument that can be used by the people of Canada to obtain cheaper freight rates for the export of cattle to Great Britain, and even public sentiment may not be able to play upon the feelings of those who represent the Atlantic Shipping Conference. The using of the Canadian Mercantile Marine boats at cheaper rates is not practicable, because the five boats fitted up for carrying cattle are not big enough for cattle export trade of any volume, in fact, the five boats together only equal one good sized cattle carrier."

A necessary step in the investigation was to take the matter up with the Federal authorities. It was clearly the privilege of the Dominion Government to probe these rates. The following letter was received from the Deputy Minister of Agriculture in reply to an enquiry:—

"I have your letter of the 21st instant, with enquiry as to ocean space and carrying charges on Canadian cattle. In this connection I may say that I do not just know the details of the situation in England, but I understand the Department of Trade and Commerce has a man over there who is, I believe, attempting to effect some improvement in transportation rates for cattle. I do not, however, know what progress he has made.

"As to our efforts here, I regret to say that we do not seem to be meeting with very great success. We have been taking up the matter with shipping

agents in Montreal, attempting to induce them to lower their tariff, but they make the claim that the business is so small they are already losing money at the present rates. I have attempted to show them that so long as the rates are so high, the business is bound to be small, but it seems impossible to persuade them that lower rates would increase traffic and thus be as profitable to the ship owners as the present rates and at the same time be of very material benefit to Canada.

"Unfortunately, some of the boats that started in to carry cattle this year have, I hear, been laid off, and the shipping agents claim there is no money in the business and they would much rather be out of it than in it. You will see from this, therefore, that the situation is a very difficult one indeed. As to the future, I am unable to give any definite opinion at this time."—(August 22nd, 1924.)

Enquiry was extended to the Department of Trade and Commerce and the following reply received:—

"Acknowledging your letter to the Minister of the 25th instant, may I say that the Minister and our representative are still working on the matter regarding ocean space and cargo charges on Canadian cattle. There is no information to hand out until the investigation is completed. The Minister feels it would be unwise to furnish information until the matter is more settled."—(August 29th, 1924.)

Inasmuch as definite action by the Dominion Government was thus implied, the Committee thought it inadvisable to carry investigation further.

The Committee recommends that the Ontario Government strongly urge upon the Dominion Government full consideration of the interests and requirements of Ontario shippers in whatever Federal policy may be decided upon to secure reduction of ocean rates.

DAIRY CATTLE.

A praiseworthy interest is abroad among the owners of herds in regard to breeds, breeding and care of cattle. Practically unanimous dairying opinion favours elimination of scrub sires. In every county desire has been expressed by owners of herds for improved progeny. J. E. Jamieson, M.P.P., at Thornbury, said:—"I would like to see the Committee press upon the Department the improvement of our stock a little more than the Department is now doing."

Mr. Wilson Kline, Ridgeville:—

"No branch of farming has been the subject of more complaint as to reduced profits than has dairying. It will be conceded, I think, that less than 250 pounds butter fat per cow per annum yields no profit, that 300 pounds may yield a small profit, while substantial returns may be obtained above that figure. As there are a very considerable number of cows in all the dairy breeds yielding 400 pounds and upwards, it would appear that a general increase can be made in the average over the Province.

"The campaign against the scrub bull was not sufficient. The non-producing pure-bred must be eliminated as well.

"The present policy of the Breeders' Associations appears to be to make a market for the largest possible number of bulls. The result is that in many parts of the Province from two to four times as many bulls as are necessary are being used and the average returns show the result from using too many inferior sires. Permit me to point out that in the Island of Jersey very few herd sires are kept and nearly all are for general service. The herds are for the most part small, yet some of the finest individuals come from herds of less than ten and sometimes only three to five. Such results would be impossible in Ontario at present. The man who keeps a bull for service can afford under present conditions only a very ordinary one.

"I suggest an inspection of all sires kept for general service, as is now the rule regarding stallions. That not only the individual type and pedigree but the R.O.P. of the dam be considered. That non-producers be eliminated. The standard should be as high as possible without being impracticable. As a temporary measure to initiate the movement a grant might be made equal to the fee collected from the farmer. At the present time the farmer is not paying on the average a sufficient fee, but he is paying for all he receives."

The foregoing views are representative. Another suggestion heard in different dairying districts was expressed by Mr. E. H. Sills (North Fredericksburg), at Napanee:—

"The Department should take action to further community breeding. This is a Holstein section; let us have all Holsteins or endeavour here to induce dairy farmers to have one breed."

The Committee recommends that more attention be paid to the principle thus expressed. Community breeding works with maximum advantage in advancing the policy carried on by Federal and Provincial Departments of distributing pure-bred sires.

There is general endorsement of systematic scoring of milk yields and practical appreciation of the objects of such work in enabling owners to select, breed and feed according to the actual milk yields of their cows. Co-operation in this work between the Dominion and Provincial Departments is at present carried on to an extent, but official interest lags and seemingly would leave the work to the live stock owners, which would be impracticable. In Scotland milk recording is done by a trained official staff and the records are strictly on a public basis. The Agricultural Representatives have done well helping the Ontario dairy farmers with this work and are capable of rendering still more excellent service in the organization of local milk recording societies if the Departments supply more incentive. The progressive dairy farmers of Ontario are in the mind to welcome the ideal of the Scottish scheme which by an elastic plan would have every dairy herd included in public milk recording. The effect there has been remarkable on prices paid for good milk record cows. The opportunity of public sales in Ontario is steadily broadening with advancement of the dairy interests. In Northern Ontario frequently reiterated desire was expressed for public sales.

There is among breeders a growing conviction that prevention of bovine tuberculosis has not received the attention it merits. Research and experiment in this respect should go before the more costly policy of accrediting herds. Advice concerning preventive measures in the care of animals is needed and it rests with the Federal and Provincial Departments to shape methods in co-operation that will be of direct practical benefit to cattle owners in understanding the essential phases of nutrition, development and sanitary stabling.

STOCKERS AND FEEDERS.

Stockers and feeders constitute an important branch of cattle husbandry. The freight rate from stock yards to country points has been agitated for some years between the Eastern Canada Live Stock Union and the Canadian Freight Traffic Association. A reduction of twenty-five per cent. asked for by the Union had been refused by the Association and the Standing Committee on Agriculture (1924) recommended that the whole matter be investigated by this Committee. The ground had, however, been thoroughly gone over and the essential facts were all on record. Arrivals of cattle on the Toronto market and shipment out of feeders and stockers indicate that not more than fifteen per cent. of the arrivals were moved out again in 1922 and 1923 for further feeding. But this fifteen per cent. amounted to 60,000 head annually. Stress was placed on potential aid of rate reduction to volume of future business. Winnipeg furnished heavy increase following a rate cut on feeders from that market.

This Committee took the subject up with the railway authorities on several occasions and they made it clear that the reduction ordered in live stock rates in Canada when the Fordney tariff was in the making in the United States must satisfy Eastern Canada, although it was not denied that Toronto and Montreal are the only stock yard points in America where reduced charges are not allowed on feeders going back. The railways held that live stock had received more favourable consideration than any other class of traffic, being relatively lower when rates are compared with value. They contended that the facilities afforded by the Dominion Live Stock Branch for buying feeders in the West for Ontario might prove substantially more beneficial. Under this scheme a farmer in Eastern Canada is paid one way railway fare, berth and living expenses en route from his home to Winnipeg, Moose Jaw or Calgary on condition that he bring back with him one or more car loads of cattle to be fed on his own farm or on the farms of those for whom he has acted as agent in making the purchases. The cattle are purchased at a feeder show and sale at one of the Western points mentioned or from a range herd. In this connection the Committee has forwarded to the railways a definite suggestion concerning reduced freight rates on feeder cattle from the West to Ontario points. The proposal now under consideration by the railway companies should be pressed to a favourable decision.

SHEEP.

Sheep raising is somewhat neglected by Ontario farmers and statistics indicate decrease as to number and value since 1920. The national importance of the industry is realized, however, and the average farmer acknowledges the farm value of the small flock. There was shortage of lambs on the market toward the close of the year and prices were high as a rule. The Committee did not hear much complaint concerning dogs in Old Ontario. The farmers complained of the docking of \$2 on the market price of the buck lamb. By the packers this is represented as the only effective means of improving supply to conform to market demand. The consumer is held responsible for the relatively higher price of small lamb. If small legs and small chops are not on the market heavier meat will not be purchased. The packer is trying to please the consumer and the farmer does not concede the packer's standpoint. Discussion of the sheep-raising industry was held within narrow lines notwithstanding efforts to disclose its national features from the standpoint of economical production and benefit

to Ontario agriculture, both in respect to weed control and soil enrichment. It is obvious that in breeding methods the average farmer cannot follow the caprices of nice taste in lamb. The ground was taken by the packers that crossing back with small breeds now would keep our sheep from becoming oversized. Education in Ontario is evidently needed to spread knowledge among farmers generally as to the commercial value of mutton and wool. Community breeding with fewer breeds looking to the development of outstanding Ontario flocks will help in restoring the position which this branch of our live stock industry formerly held. Meat and wool of the Muskoka sheep command deserved preference. The local sheep industry should be more definitely fostered.

SELLING AND BUYING ORGANIZATIONS.

In the marketing of cattle locally or in England, as well as in the handling of the feeder problem, co-operation will have to be depended upon for future headway. This Committee has secured much valuable data from the United States regarding co-operative systems and increase of profits through co-operative selling. The great desideratum is the substitution of an orderly marketing programme for the present process where individuals with limited experience and uncertain knowledge of marketing are in a selling competition one with another. Co-operative organizations of live stock producers realize thoroughly the necessity of securing a definite volume of business for terminal markets and local sales to packers. A contract is regarded as the only assurance of controlling definite volume. Director of Live Stock Marketing of the Ohio Farm Bureau Federation explains an approved marketing agreement concerning which he says:

"In order to better understand the use of our live stock contract in connection with the type of organization we have developed in Ohio, please be advised that our County Live Stock Associations are organized under the co-operative marketing law of this State, which is the co-operative law uniform in a number of the States, that our associations are organized so as to serve areas equivalent to a county, that these county associations are in turn federated into the Ohio Live Stock Co-operative Association, which along with other commodity associations of this State has a working agreement with or is federated through the Ohio Farm Bureau Federation to provide a solidarity of agricultural effort.

"The individual live stock contract runs from the individual to his county association, hence from the county to the state association to which all contracts run. This contract prevents competition between counties in a given area, provides co-operation and also the working out of an intelligent plan of distribution.

"The live stock co-operative machinery which we have established and in operation now are the County Live Stock Associations, County Terminal Sales Agencies and the Eastern States Company, which moves the stock from local or terminal points direct to the packer."

The California Cattlemen's Association contract is similar in intention and contains a proviso that it is ineffective unless the directors of the Association declare the number of contracts executed sufficient to justify the aims in view. The live stock shipping association is held to be the simplest of the various co-operative enterprises created by the farmer to assist him in his marketing activities. Economies from large volume of business in Ontario would undoubtedly help the farmer.

Special attention was given complaints concerning commission and feed charges at the Union Stock Yards. Evidence was taken locally and enquiry made among Live Stock Associations and Exchanges at several markets of the United States. The award of arbitrators appointed by the United States Secretary of Agriculture contained practical information and suggestions. Over there, as here, economic conditions confronting live stock producers in recent years have developed a situation in regard to marketing costs of a somewhat critical nature. The Committee naturally approached the subject with practical appreciation of this condition, also of necessity for maintaining efficient service.

Co-operation by the Dominion Live Stock Commissioner was afforded from the outset. At a conference with the Committee on September 3rd he fully explained his supervision of the several stock yards of Canada under the provisions of the Live Stock and Live Stock Products Act and Regulations and declared that administration of the Dominion law by him has secured for Canada supervision of stock yard activities similar to the authority exercised by law in the United States. He pointed out that receipts at American stock yards are greater than in Canada, affording United States commission men and stock yard companies opportunity to trade at lower costs than here. On the whole charges in Canada are on a lower scale. The Committee quotes this statement after having verified it with the purpose of maintaining public confidence in the system. A further statement of the Commissioner is as follows:—

"The moment public confidence is not granted there is only one alternative for the Government to adopt, namely, to follow the system that is now being taken and followed in the United States, to require by investigation the financial conditions of the several stock yard companies and to review all the books of the commission firms so that the information to be obtained in that way be made public property. It now is not public property. It is the property of the Dominion Government, given in confidence, and our decision is based in that fashion. I believe as a result of investigations that have been conducted that a great deal of information will be given voluntarily by the companies; it being stated they have nothing to fear in disclosing their position."

No reduction has been made in the commission charge of \$17, which is the same as the Chicago charge for a car of twenty head of cattle. In Buffalo the charge is \$20 per car. It is right to acknowledge that considerable beneficial service to producers is performed by market agencies in addition to the selling and accounting for live stock.

The market agencies carry many risks and necessarily are responsible financially to the shipper. The factor of incidental expense in the conduct of their business is not inconsiderable. The Committee realizes both the extent of the service afforded for the sale charge on a car of cattle and the higher costs of labour since that charge was increased from \$10, but endorses the opinion expressed by producers at many of its public sessions that the commission fee, all things considered, is too high and that comparison with the United States is not to be regarded as the final answer to reasonable complaint heard. Nor can any possible injury follow to the market service if financial statements of the stock yards are made public by the Dominion Minister of Agriculture. Government supervision in every other direction involves public information concerning the business regulated and an exception in the case of the stock yards needs some explanation.

With regard to the price paid for feed the Dominion Live Stock Commissioner was not slow to admit that the charge at the Toronto Stock Yards, which had remained at the war figure of \$42 a ton, was far too high. An immediate reduction followed the transmission through this Committee of complaints in this regard, and as the volume of complaint piled up more substantial modifications were ordered till the price came down to \$30 a ton. Poor quality of hay supplied formed an important feature of complaint substantiated by the Committee. Assurance has been given that this condition has been bettered.

POULTRY AND EGGS.

Trade in eggs has assumed international lines. Competition inevitably developed egg grading. Canada set the world's highest standard in this respect, demanding classification according to weight, size of the internal air space, transparency of the yolk, consistency of the white and external cleanliness. The egg inspectors find difficulty in enforcing and dealers in complying with so complex a classification. Notwithstanding this, there is general approval of the principle of egg grading. Many proposals have been made to this Committee for modifying the regulations, the suggestion most favoured being classification according to internal and external quality and sale by weight. The Canadian Poultry Record Association has taken on a pure-bred, true-to-type and egg-laying record campaign which shows far-reaching influence. Egg circles, co-operative producing organizations and even storage houses are all encouraging farmers by educational means and various ideas in marketing.

Strong opposition is shown to the importation of low-priced, low-grade baby chicks from the United States. This is believed to be highly injurious to the rapidly developing poultry industry and to Canada. Tariff regulations cannot adequately prevent the business and it should be prohibited. United States and other foreign eggs are regularly dumped upon Canada in February and March in large quantities. The remedy for this is one of Dominion concern.

MARKETING.

Having examined Ontario production in the foregoing lines, the Committee recognizes widespread need for education in the grading of these products—grade to follow the product from producer to consumer. Grading interests producers, dealers, and consumers and affords a basis of conscientious business relationship among them. The value of grading has been demonstrated in other countries and any new system of marketing adopted here must have this basis. All the work cannot be left to the Federal Department of Agriculture. An energetic Provincial Markets Branch whose scope and activities would include a strong campaign of education in grading among producers, dealers and consumers would help in overcoming many of the difficulties in the way of better marketing. Without definite grades and education of the public in these essentials, co-operative marketing cannot succeed.

Much evidence has been examined regarding co-operative marketing. Expert opinion has been consulted and special reports obtained from operating associations, both domestic and foreign. In Denmark statutory incorporation

has never been resorted to nor have the voluntary co-operative organizations, though born there of agricultural depression and adversity, received financial aid from the State, with the exception of the breeding associations for live stock improvement. Danish law and Danish co-operative responsibility combine in furnishing guarantees of export products from the Kingdom—butter, bacon, eggs and some skim milk cheese. Co-operation having saved and reconstructed the agricultural industry of the Danish people, they are one with the Government in upholding their system. When the standard of living of the Danish farmer is taken account of, however, it becomes apparent that Ontario must work upon a system suited for Canadians.

In the United States Federal and State Governments are engaged in collecting and distributing information concerning legal, economic and association phases of agricultural co-operation. The movement over there adheres strictly to the well recognized plan of legally incorporated organization. Evidence collected from many quarters in the United States warrants the opinion that successful co-operation depends on the cost of conducting associations. As a rule decreases in marketing costs are being effected wherever directorates of co-operative associations have divested themselves of the tutelage of professional promoters, and, under helpful Government supervision, are following orderly processes of marketing staple crops. Government and the farming community have endorsed the co-operative marketing system as the best means of stabilizing agriculture and both are earnestly studying their duties and responsibilities in this new field of enterprise.

Co-operative organizations in Ontario do not make annual returns as such to the Department of Agriculture and do not differ in legal character from the ordinary limited liability companies. The co-operative movement to a considerable degree is carried on by selling agencies operating upon a contract or agreement with subscribers who in number do not always constitute a majority of the producers of a particular commodity. The manager of such an agency either receives a commission or a salary, and the service rendered generally includes educational work, supervision, grading and inspection. Competition of one co-operative against another involves financial overburden sometimes too heavy for the undertaking. Examples of success in face of limited education of patrons and diffidence of non-subscribers are not wanting, although complaint is general that overhead is out of proportion to volume of business. Competent management is the outstanding essential.

In numerous replies to special questions submitted by this Committee to co-operative associations of growers in the United States and Canada there is one point of agreement. Co-operative enterprise must have large volume of business if management is to incur the expenditure of publicity. Opponents of co-operation argue that this system of marketing cannot succeed in Ontario unless prepared to advertise on the huge scale of leading United States growers' associations. Advertising is not essential to the success of co-operative marketing. With dependable grading and volume, co-operation will surmount all the difficulties in its way.

Canada's membership in the British family is to her advantage in seeking export markets. Her geographical advantage was spoken of by members of the New Zealand Dairy Produce Control Board with whom the Committee held a

conference in June. As the result of this conference and of careful consideration of all phases of the export problem this Committee feels justified in reporting as its main recommendation the creation of a Canadian National Export Marketing Commission. The New Zealand Board cannot be taken as the model in this respect because in the main branches of farm industry and in the country itself different conditions are presented. But the aim is one and the same, viz., development of a uniform marketing system for national products in volume. The agricultural products of the Provinces of this Dominion are at a disadvantage in competitive markets because they are not brought together and shipped in volume.

Co-operative progress in the Western Provinces, Ontario, Québec and the Maritime Provinces demands sound business guidance in the trade policies of the Dominion through the coming years. The present time is highly opportune for bringing forward a new trade policy calculated to serve Canada as New Zealand expects to be served by the Dairy Produce Control Board, upon which far-reaching powers have been conferred. The attitude of Great Britain challenges immediate action. Recent British proposals to establish a purchasing department for supplies of food and raw materials point to special Canadian benefit from Imperial trade. The plan has no partisan features and is endorsed by financial experts. Primarily it promises better business for Canadian agricultural producers. A business proposition of this kind should further the cause of co-operative development in the different Provinces—in live stock, dairy products, fruit, etc. Grain, by reason of volume from the Western Provinces, would be a distinct export.

Danish producers ship to Britain twice a week on reports of market conditions furnished by their own co-operative wholesale selling agencies in England. By availing of Halifax transportation facilities and by establishing storage at that port, a Canadian National Export Marketing Commission could enter regularly a weekly market in England. Halifax with fast ocean transportation is but four days removed from Liverpool. A Halifax to Liverpool year round service with adequate storage facilities at the Canadian terminal supplied by Canadian co-operative organizations would revolutionize agriculture. In Ontario it would develop the meat trade, stimulate winter dairying, improve fruit growing and enable agriculture to regard without concern New Zealand competition under the Dairy Produce Control Board, or export features of the co-operative movement in the United States. Co-operative organizations in all the provinces could sustain year round volume in the British market, with readiness at all times to study and enter American and European markets as immediate conditions might attract. Whilst new and much more advantageous handling of the exportable products of agriculture is required to meet competition of other countries co-operatively organized, a National Export Marketing Commission would offer advantage to the manufacturers of Canada.

To make a National Export Marketing Commission representative of co-operative organizations, co-operation must become inter-provincial in scope. A Central Co-operative Council representing all the provinces is not only a feasible plan, but is already an accomplished fact. The Canadian Council of Agriculture would be an effective agency in linking up the co-operative bodies of the different provinces and in realizing Dominion wide uniform standards. Its representation in a National Export Marketing Commission would be a

forward stride in co-operation, bringing Canadian agriculture to the threshold of a great future. The Federal Government should prepare to meet the Provinces co-operatively linked up to furnish volume of export trade. In cheese and bacon Ontario is the largest feeder of the Montreal agencies, operating the present export system. Rates are imposed by New York upon Canadian Government ships which exert no beneficial influence upon Canadian trade or upon the problem of ocean transport.

In the opinion of this Committee the Government of Ontario should immediately endeavour to obtain co-operation of the Dominion and other Provincial Governments to meet any British plan of buying the export surpluses. Action in Canada should be entrusted to a National Export Marketing Commission on which Federal and Provincial Governments, co-operative organizations and manufacturing interests would have representation.

EDUCATION.

At many meetings of the Committee and in widely separated sections repeated reference was made to the high cost of education in rural districts. It was asserted that the chief factors responsible are the number of schools with small attendance and the system of administration by school sections. The following evidence is typical:—

“In this county there are schools of three, four and five pupils.”

“There are two school sections with an attendance of two each.”

Witness called attention to the existence of schools with five or six pupils having a teacher paid \$900.

“There are two schools in a township with a total enrolment of ten. The cost is too great and the remedy is a larger school section, making the township the unit. The chief item of expenditure in each school section is the teacher's salary.”

“Organization for each district in a municipality is wasteful and inefficient. There are schools with an attendance of two where the salary is \$900 and the teacher can look out and see another school. We should have the Township School Board.”

“School taxes are an extremely heavy load on us. Our system of school sections and their administration by a local board is a waste of money. The school affairs of each township should be administered by a Board of Trustees elected at the time of the municipal elections. This step would increase the efficiency of teachers, would reduce the cost, and would equalize the assessment all over the township so that a farmer who lived on the north side of a road would not be paying eight or ten mills more than the farmer on the south of the road for the education of his children in that district.”

“In this township there are twenty-five school sections. The rates vary from one mill to fourteen mills, in addition to debenture rates that are charges specially against any school section making improvements. For instance, School Section 18, where I reside, had a levy of 14.8 mills on the dollar. School Section 19 adjoining on the east has a levy of 5.8 mills. School Section 23

adjoining on the north has a levy of 5.2 mills. I think this is sufficient to show the unjust system of taxation for educational purposes in a country where we are supposed to have equal rights for all and special privileges for none. The only remedy for this state of affairs is to make the School Act the same for rural municipalities as it now exists in the urban centres, namely, one school board for the municipality with a uniform rate to meet all school requirements."

This Committee recommends that the Department of Education consider reorganization.

At all the meetings the broad claim advanced was that education is not applicable to problems in actual life. The following extracts of evidence are typical:—

"Not one finger is being lifted to teach the boys and girls the value of good farming. Children are being taught away from the land."

"Education is not practical and tends to reflect on farming as an occupation."

"Education should be founded on real life purpose."

This complaint is fairly covered in the following sentence from Department of Education pamphlet, "Courses of Study in Public and Separate Schools, 1924."—"The agricultural topics of the supplementary course are not to be regarded as a means of teaching the pupil to carry on farming operations, but rather as a means of giving him an elementary knowledge of the most important scientific principles underlying the processes and activities of the farm."

The problem has been carefully studied by the Advisory Committee of the Ontario Agricultural College Alumni Association, and at a conference with this Committee recommendations were submitted to the following effect:—

Matter and pictures relating to agriculture in school textbooks;

Agricultural charts and pictures as part of school equipment;

Courses for teachers that will enable them to present agriculture to the child in an attractive manner;

Appointment of qualified men to visit rural schools and help the teacher with matters of agricultural interest, including school fairs;

Provision for children who have left the public school and do not go on to high school by means of continuation schools, agricultural high schools, and courses in agriculture conducted by Representatives of the Ontario Department of Agriculture, giving special attention to those who cannot attend school for more than five months of the year.

This Committee recommends that the Departments of Education and Agriculture co-operate to the fullest extent in extending agricultural education.

Many witnesses have stated that more continuation schools are a necessity:—

"We should have a continuation school in each township. Every farm boy or girl should be at most five or six miles from a continuation school."

"Education should be improved in rural schools so that it would not be necessary to send the children away from home to a high school."

"If the Government, by moral suasion and actual aid, can establish more continuation schools, such assistance, especially with the school buildings, will be enough to turn the scale and allow the rural boys and girls to continue their educational period at home."

The Department of Education has adopted Regulations for the establishment of Agricultural and Household Science Departments in continuation schools, high schools and collegiate institutes. This Committee is of the opinion that continuation schools established in rural communities are best adapted to meet the requirement of a vocational school in the agricultural sense.

In regard to the Ontario Agricultural College the following evidence is typical:—

"Why should not the Ontario Agricultural College again accept the young man with less academic training and after four years turn out a skilled man to make his contribution to agriculture at home and abroad. Graduates requiring more might then attend universities and specialize."

In this connection the Advisory Committee of the O.A.C. Alumni presented the following suggestions to the Committee:—

"That, in order to encourage farm boys to enter the courses, regulations governing entrance requirements be made as simple as possible so that those who have not had the opportunity of securing matriculation standing should not be barred;

"That no tuition fee be charged for students resident in Ontario during the first two years, and that the cost of board should not exceed \$3.00 per week;

"That consideration be given to the question of scholarships for young men taking part in competitions conducted by Agricultural Representatives."

This Committee recommends that the above suggestions be given careful consideration by the Department of Agriculture, especially the recommendation in regard to entrance requirements.

Macdonald Institute is intended to aid women for whom farm life has attraction. The Committee recommends that rural young women be encouraged to take advantage of its facilities to a greater extent, and that its instruction be designed to meet their needs. The Normal Course offers opportunities to those who wish to take up professional careers, and a larger proportion of these graduates should be utilized in Ontario in teaching girls in rural districts through continuation schools, short courses, etc.

By resident teaching the Ontario Agricultural College does not and cannot reach out to all the rural young men of the Province, but prosecution of scientific work looking to increased agricultural production would in large measure justify the expenditure upon the College. Sir John E. Russell, in his presidential address to the Agricultural Section of the British Association for the Advancement of Science in Toronto in August, said the purpose behind world-wide interest in agricultural science is "to discover the principles underlying the great facts of agriculture and to put the knowledge thus gained into a form in which it can be used by teachers, experts and farmers for the upraising of country

life and the improvement of the standards of farming." By extension work, such as the Agricultural Representatives are engaged in, scientific knowledge is being taken to the average farmer of Ontario from the College and it is for the farmer to make use of this knowledge for profit. Rural opinion in every section of the Province upholds the Agricultural Representatives, whose work is direct, practical and helpful. Their influence extends to every branch of farming. The only complaint is that there are not more of them. The Committee recommends the appointment of additional Representatives in centres where evidence taken by the Committee and submitted to the Department shows need for such appointment.

The Committee is of opinion that the principles underlying the best agricultural practice and the financial profits to be derived therefrom can be most effectively brought to the attention of the farmers through the Agricultural Representatives by means of demonstrations on individual farms which will serve as lessons to the surrounding community. The Committee also believes that this can be worked out most economically and efficiently along the lines of the demonstration fields of the Province of Quebec.

IMMIGRATION AND FARM LABOUR.

Careful attention has been given to this subject. A report to the Committee from the Ontario Director of Colonization describes applied methods:—(July 28th, 1924)

"From time to time personally conducted parties of emigrants are arranged, each under the care of an experienced traveller, and the party is looked after throughout the entire journey. This applies to farm hands, families and domestics. The selecting of suitable people that are likely to make a success in our Province is as carefully done as possible. The London office works in hearty co-operation with the Colonization and Immigration Branch here. In the case of domestic servants and farm labourers full particulars of each individual settler are sent to our office here in advance, so that when the newcomers arrive their requirements are understood and a situation easily found.

"All immigrant trains are met in Toronto by an Ontario Government officer. They are advised on the question of luggage and accommodation and as soon as they are booked for a situation on a farm they are guided in the purchase of tickets and checking of baggage for their further short journey by rail.

"We have had for a good many years an assisted passage scheme, the maximum of which is third class passage, rail fare included, for experienced farm hands, families and competent domestic servants, which has worked out very satisfactorily. Money for this purpose is now advanced by the Dominion Department of Immigration and Colonization and the Imperial Government, each paying half, our Department agreeing to use the machinery of their office for collecting same. Formerly this money was advanced by the Ontario Government until the last few years, when the Imperial Government put up fifty per cent.

"In reference to domestic help for the farms, would say that we have done everything in our power to try and induce domestics to go on farms, but must confess that we have had very little success."

Opinion proffered as to the effect of these methods upon our agricultural industry may be quoted:—

Quality—

"Too many have had no farm experience."

"Fairly good type, but they do not want to stay on the farm."

"Not enough genuine farm labourers."

"The only immigrants we get are boys and girls from the Homes. Generally speaking, they are satisfactory."

"We have ten immigrants in our neighbourhood this year who are giving satisfaction; they had experience in farming."

"I see in this room several successful farmers who came to this country as immigrants a few years ago."

Information and Selection:—

"The efforts of Agents should be directed towards securing a supply of farm labourers who have been fully and truthfully advised as to conditions the immigrant may expect to meet in this Province."

"Too many never get to the farm."

"Immigration should be selected on the other side."

"Farm labour should be selected by a practical man."

"Something should be done to send part of the help that is coming to the farmer's wife."

"The right class of immigrants can be got to come to Canada."

"To make Canadian citizens a closer discrimination is required."

"The hired man of to-day will be the owner of to-morrow. If we are not careful in the selection of our immigration we will not improve our citizenship or our manner of living. If you can get select farm labour, bring it from the British Islands. If you bring a strange class of immigrants you will break up the citizenship unity of this Province. The change is already making headway."

Conditions and Wages:—

"It would be better if they were hired for the year."

"If we could get a man at reasonable wages we would keep him the year round."

"They do not want to stay on the farm at the wages we can afford to pay."

"Lecturers tell them of good wages in Canada and they demand the highest for unskilled work."

"They are lost before they become profitable labourers."

"The farmer must himself shorten the hours of labour."

"The employer in Ontario should be educated so that he will understand that his obligation to and agreement with the immigrant must be fully carried out."

Policy:—

"It is absolutely useless to continue the system of immigration of the last twenty years."

"Our policy is like pouring water into a leaky vessel."

"The promotion of immigration by steamship companies and other such agencies should be reduced to the lowest possible minimum."

"Would it not be better to help Canadian boys who understand farming in this country to take up land than expend it on getting immigrants who bring no benefit to the land."

It is the opinion of the Committee that real co-operation between Federal and Provincial authorities is essential, both abroad and in Canada; that more care should be taken to see that emigrants are fully informed as to conditions they will meet in this Province; that a better organized plan of guidance and supervision for the first year at least is demanded; that immigrants already in the Province be given the first opportunity and offered every facility to return to farming; that co-operation among farmers is applicable to the labour problem; that the same encouragement, opportunities and facilities be extended by the Federal and Provincial Governments to Canadian citizens as to immigrants to take up farming in Ontario.

A report received January 20th, 1925, from the Federal Department of Immigration and Colonization concerns the later policy of the Department for bringing out more immigrants from Continental Europe and the British Isles. The report says:—

"The policy comprises a distinct understanding with the several Continental countries that we will accept only land workers who are prepared to work as such in Canada, either as farm labourers or who are coming to purchase farms. We have offered our hearty co-operation as regards the latter when the several governments will submit particulars of any groups who are understood to be ready to come. We are also agreeing to certain colonization work in special districts of Canada, according to the policy of the Colonization Association or Society concerned, but it is all under our own supervision and in all cases the selection of the type of people to be brought out rests with the Department.

"As regards the agreement with the British Government for the settlement of British immigrants, I presume you refer to the 3,000 family scheme. This arrangement was completed by my Minister with the Imperial authorities upon the occasion of his last visit to the British Isles and under its terms the British Government is advancing \$4,500,000 to be supplied in the way of loans to bona fide agricultural families, actually resident in the British Isles and who are coming to Canada to follow farm employment. The loans are fixed according to the actual needs of the families and are repayable over a period of twenty-five years. These families are to be established on farms now owned by the Canadian Government in the various Provinces, and the selection of the families rests with the Department, for which purpose our Land Settlement Branch already has a number of officers at work in Great Britain. As stated, the incoming families will be placed from one end of Canada to the other, and I may add that the place of settlement will be, as far as possible, in accordance with their own desires.

"Concerning the second paragraph of your letter, may I say there is no indiscriminate co-operation by any railway or institution with us. Whatever may be in evidence by the Canadian National Railways for any section of Canada as concerns colonization must, of necessity, have the approval of the Department with respect to the type and character of the immigrant, as well as our review of the proposed settlement terms, because we will not allow any other conditions than those which give the incoming settler a fair fighting chance of success.

"The whole of our purpose is to secure people for settlement on the land. These are the only ones we invite, either as labourers or farmers. We want the family unit and all of our work is in this direction. Further, we are helping in every way we can, through our directional system, the placing of immigrants of

this kind to the best advantage and are only accepting those who come to us with assured employment as labourers for farm work and will only direct through our Land Settlement Branch and the Advisory Boards throughout Canada those who seek our assistance as to the purchase of lands for farming purposes."

THE FARM HOME.

POPULATION.

A resolution from the 1924 Annual Convention of the United Farmers of Ontario transmitted to the Committee asserts that the tendency to leave the Ontario farm constitutes one of the alarming problems of the day. The same opinion was heard at several public sessions of the Committee. Two considered statements, in part, bearing on this question—one by Col. W. J. Brown of London and the other by President Reynolds of the O.A.C.—will be found in the Appendix.

The census of 1921 gave the rural population of Ontario as 41.8 per cent. and the urban population 58.2 per cent., the compared distributions showing respective numerical increases in the decade 1911-21 of 27,576 and 378,794. According to the 1917 Report of Governor Whitman's Commission the exodus in New York State from the farms to the cities was a real problem. The Report said:—"It is all important that the State do all it properly can to arrest the tide which is now flowing towards the cities in ever increasing numbers and to induce men of ability to seek rural life under conditions which will insure a fair remuneration for their services." The Anderson Report to Washington (1921) made this statement:—"Well being in the country must be enhanced not by tearing down well being in the cities but by increasing the comforts and satisfactions in rural life. This cannot be done without increasing purchasing power on our farms as well as in our towns and cities." Upon the information this Committee has gathered the opinion is based that the movement which on the one hand is called "rural depopulation" and on the other "adjustment of population" presents no other problem to the Legislature and Government of Ontario than recourse to sound measures looking to the advancement of country life, but not at the expense of urban life. Constructive suggestions have been made regarding advancement of country life in the spirit of the Anderson Report, to which one witness called direct attention.

ELECTRIC SERVICE.

The question, "Should electric service be carried to the farms of Ontario as one of the modern necessities?" has had more attentive consideration and has been the subject of more discussion at our public sessions than any other under enquiry. The drudgery of women's work on the farm has been stressed by farmers ahead of their own special needs. The farmer is looking into the electrical field with hope that impending achievements in this banner Province will witness his participation in all advantages of Hydro on terms of approximate equality with the urban user. At the Brampton session Major Kennedy, M.P.P., presented the rural Hydro problem as regarded by the majority of farmers:—

"You know that after the farmer gets the Hydro at his gate he is under a tremendous further cost. Perhaps \$800 will put it into his house and barn.

As the farmers must use electricity, a way should be found by subsidy or other means in the knowledge of the Government and the Hydro-Electric Commission to reduce that cost of \$800 to say \$250. Wherever the money is to be taken from, whether out of the general funds or otherwise, the farmer insists on getting electricity at a price that he can meet. I think the expense could possibly be cut down and I hope the Engineers of the Commission will give attention to the subject. You will see why the assistance should be given the farmers when I remind you that it is good for this country that the farmers in our rural communities live far apart. In France they live in little villages and go out to their fields from these villages. It is good for this country that our farmers do not live on that plan. If they did, Hydro could be brought to them at less cost, practically at city cost."

This manner of presentation of the Hydro problem turns entirely upon cost. As the rural point of view it finds support in the Hydro policy of the Province heretofore and from the practice of other countries where Government assistance is either a matter of bonusing or making loans to farmer companies. Varying conditions are encountered over the Province and no single locality has exactly the same cost problem as another. The Government and the Hydro-Electric Power Commission are therefore confronted with a many-sided Province-wide demand for rural distribution of electricity. The Committee has gone to the Commission for information concerning power problems in vicinities hundreds of miles apart. The reports made by the Commission are on file for the information of Members of the House or others.

As a result of conferences held with the Chairman and Engineers of the Hydro-Electric Power Commission, the Committee reports at the outset a public-spirited attitude towards the problem of farm service on the part of these officials. It has been pointed out that the Commission has invariably done everything possible to facilitate the distribution of information to all interested in existing and prospective power districts. Requests for meetings have been promptly acceded to, thereby getting the necessary information before those concerned about methods of procedure to secure a supply of electric power. Such information is of public consequence when the advantages of electric power to the farmer are fully considered. Economy of labour comes first. Facility for doing work inside by available power when weather is bad, and actual saving of help are features testified to by those in different parts of the Province who now have service. Electricity means increase of the output of the farms in many ways; it means better living conditions for the people and for the animals, shortening the period of time assigned to certain work and a saving in the physical effort of those performing work in the barn as well as in the home.

The Committee found some lack of exact knowledge as to conditions under which rural service may be secured. To meet this need the following information from the Commission is made part of this Report:—

1. Arrangements for rights-of-way for transmission lines, where the lines are not constructed on highways, are made with the owners of the property through which the lines run. The Commission's representatives have a full knowledge of the procedure necessary to be followed under the Power Commission Act. The Power Commission Act does not provide for arrangements whereby the farmer may obtain a reduction in his service charge as part payment for right-of-way transmission line through his property.

2. The Power Commission Act specifically provides the conditions under which power is to be supplied to urban municipalities as well as rural districts. Service is supplied at cost in both cases and if a sufficient demand is not obtained to meet cost in the case of the urban municipality service is not supplied until sufficient revenue to meet cost has been guaranteed. The same conditions apply to rural districts. The one outstanding difference between service to urban centres and rural districts is that in the cost of service to rural districts only one-half the capital is included in arriving at the cost, the other half being paid out of the General Fund of the Province. During the past two years only fifteen municipalities have been added to the various systems, whereas in the same period of time contracts have been signed with eighty-seven townships. In the same period approximately 458 meetings have been attended by the Commission's representatives, where the method of securing power in rural districts has been explained in detail and arrangements made whereby contracts might be entered into by the rural consumers in the district represented at these meetings through committees formed.

3. In supplying power in any district the Commission endeavours to arrange for sufficient to take care of the requirements of the district not only as regards its present requirements but also to take care of future growth for a reasonable length of time. It is not economical to develop small water powers and transmit power from these developments long distances to the points where the power is required, and economical conditions demand that the Commission obtain power at the least possible cost of development. It is cheaper as a rule to install larger developments first and transmit power from these to a number of small municipalities than to develop a number of smaller developments with a corresponding increase in the cost per horsepower to supply the various districts. An instance quoted is Jones Falls. Jones Falls is located approximately twenty-five to thirty miles from the nearest point where the power (approximately 1,000 horsepower) could be used. The expensive development, long transmission line and small amount of power available at the site does not make it an economical proposition under present conditions.

4. At the time the 1920 amendment to the Rural Power Commission Act was made the Commission was supplying a few farmers in districts immediately adjacent to urban municipalities that were supplied under contracts with the Commission. Power was supplied to these few fortunately situated rural consumers at very low rates based on conditions existing in the district in which these farmers were located. At the request of the farmers themselves a new system was introduced, that is, the Rural Power District Scheme. Prior to this time it had been demonstrated that power could not be supplied economically to townships as units as the boundaries of the townships did not bear any relation whatever to the source of supply of the current available, and it was decided to divide the Province into areas or zones known as Rural Power Districts, the boundaries of which are determined by the economical distance of transmission of power from existing centres or centres to be established and also on the characteristics of the district to be supplied. This arrangement has proved to be very satisfactory and appears to be working out to the benefit of the farmers of the Province.

5. Prior to the introduction of the present method of supplying power to rural customers under the Rural Power District Scheme, superseding the former arrangement under which power was supplied through townships as individual

units, lines were constructed in a number of townships to serve a few favourably located consumers, where rates had been fixed on the basis of the low cost of lines constructed prior to the war. Later, when the cost of line construction had advanced over 100 per cent. and when other consumers not so favourably situated in the same township wished to obtain service, the consumers already receiving service objected to having their rates increased to the average cost of all service in the township, including the original services and the proposed new services, with the result that the old consumers are now being served at rates which are below the average cost for the township and new consumers in the township can only obtain service by paying rates considerably higher than the original rates.

6. In regard to the question whether it is feasible to permit a group of farmers to make agreements with municipalities or by way of individual contracts in harmony with the municipal term contracts, the answer is that this was the condition that existed in a number of sections adjoining urban municipalities at the time the Rural Power District Scheme was inaugurated, viz., a group of farmers making agreements with a municipality for service at low rates on account of their favourable location as regards power supply and creating a condition that prevented less favourably situated farmers from securing service at all.

7. In every district where rural lines are constructed the Commission endeavours to use all the local labour that can be obtained from the ratepayers in the district. Local labour is hired, where possible, for the hauling and erecting of poles and for the digging of holes. During summer months when lines can be constructed farmers are usually engaged in their work and are not free to assist in the construction of rural lines. It has been the general experience that lines constructed with as much labour as possible supplied by farmers in the district are not any less costly than lines constructed with labour obtained outside the district, as the rate of wage paid in each case is the same. It must be remembered that there is much expert line work that farmers are not capable of doing, such as climbing poles, stringing wire and making electrical connections, and for this work it is always necessary to bring in trained linemen.

8. In a number of Rural Power Districts operated by the Commission where rural offices have been established the Commission has arranged for a Supply Department, where farmers in the district can obtain their supplies at the prevailing resale price fixed by the manufacturers of the articles sold. Farmers in any district could arrange to run a co-operative electric supply shop provided they are willing to finance, manage and operate the same. Electric supplies are sold by practically all electric supply houses at the same resale price, which is fixed by the manufacturers' association.

9. It is the practice of the Commission, wherever possible, to make use of all existing pole lines to the safe limit of their capacity. In connection with this, the height of the pole must be taken into consideration of the pole line in question, voltage of the high tension line, spacing of poles, character of country, number of trees, foreign lines, telephone lines, age of poles, weather conditions of the district, etc. If permission has been refused in any locality to install a rural line on an existing high tension line, conditions have been such as not to warrant additional lines on the poles in question.

10. In regard to the question, "Is the twenty-year contract for reserve of three horsepower the best way of dealing with farm electric problems that vary in the case of one farm and another and on the same farm from time to time?" the Commission endeavours to have the service charge as near as possible on the basis of the length of line it is necessary to construct to serve each class. In arriving at these classes the Commission estimated from knowledge of the uses of current made by the various classes of rural consumers that the average farmer who did not use his service for lighting alone would require approximately three horsepower as a minimum for his power uses. In calculating rates for rural consumers the Commission estimated on a minimum of three Class 3 farm contracts per mile of lines constructed, or the equivalent. The service charge to the various classes has been fixed on this basis and rural lines are not constructed by the Commission unless sufficient rural contracts have first been obtained on this basis to meet the cost of service. The service charge includes interest on a share of fifty per cent. of the capital expended to serve each customer, sinking fund necessary to retire this amount of capital in twenty years, a renewal fund and maintenance and operation of the lines and system constructed within the Rural Power District. All other charges for lines constructed to serve Rural Power Districts outside of the boundaries of the district itself are included in the cost of power supplied to the Rural Power District in a similar manner to the charges for power supplied to urban centres.

11. It is not feasible under present conditions at the beginning of operation in a new district to lower the service charge to Class 3 rural consumers to \$40 per year where there are only three consumers per mile in the Rural Power District. It is possible, however, that after a district has become well established, provided difficulties in constructing lines have not been more than such as are usually encountered and on the basis of which maximum rates have been prepared, or where the equivalent number of consumers in the district has exceeded three Class 3 consumers per mile of line constructed, that the service charge to Class 3 rural consumers in such districts may be reduced as low or perhaps lower than \$40 per customer per year; but where so many uncertain factors enter into the cost of supplying service to rural consumers at the commencement of operation it is not advisable to submit rates lower than the maximum to the farmers for signature.

12. The privileges given rural power users by the present system, under a Rural Power Contract, cover both domestic and power uses, whereas in urban municipalities these are divided into two classes. The combining of the two into one works out to the advantage of the rural user in the matter of service charge as well as consumption cost. He is permitted to use his electric power supply for lighting and appliances in the house and for lighting and power in the barn. The lessening of the fire hazard by reason of electric service on a farm undoubtedly works out to the advantage of the district, as the losses by fire, due to power and lighting from oil lamps and lanterns and internal combustion engines, is to-day a big factor in the matter of rural insurance.

13. Farmers may choose from the following classes:—

Class II-B. Small Single-Phase Farm Service—includes lighting of farm buildings and power for miscellaneous small equipment, power for single-phase motors up to two horsepower demand, or electric range. Range and motor are

not to be operated simultaneously. This contract is available for farms up to ten acres in fruit growing districts and farms up to fifty acres in grain growing districts.

Class III. Light Farm Service—includes lighting of farm buildings, power for miscellaneous small equipment, power for single-phase motors, not to exceed three horsepower demand, or electric range. Range and motor are not to be used simultaneously.

Class IV. Medium Single-Phase Farm Service—includes lighting of farm buildings and power for miscellaneous small equipment, power for single-phase motors, up to five horsepower demand, or electric range. Range and motor are not to be used simultaneously.

Class V. Medium Three-Phase Farm Service—includes lighting of farm buildings and power for miscellaneous small equipment, power for three-phase motors up to five horsepower demand, or electric range. Range and motor are not to be used simultaneously.

Class VI. Heavy Farm Service—includes lighting of farm buildings and power for miscellaneous small equipment, power for motors up to five horsepower demand, and electric range, or ten horsepower power demand without electric range.

Class VII. Special Farm Service—includes lighting of farm buildings, power for miscellaneous small equipment, power for three-phase motors from ten to twenty horsepower demand, and electric range.

14. Service charge, including secondary bonus:—

Class II-B.....	\$37 26
“ III.....	49 14
“ IV.....	51 30
“ V.....	62 10
“ VI.....	89 64
“ VII.....	142 56

The consumption charge is divided into two parts, the same as in urban municipalities, a portion of the power used each month being paid at a first rate, with a follow-up rate which is low. The amount charged at the first rate in Class II-B is thirty kilowatt hours, and that for Classes III to VII is fourteen hours' use of the Class demand. In Class III the amount which is charged in each month at first rate is 42 kilowatt hours; Class IV, 70; Class V, 70; Class VI, 126; Class VII, 210. There is no minimum amount charged for current consumption in rural classes, the actual consumption as indicated by the meter being the amount charged for.

The Committee found the rural sections of Old Ontario insistent in their demands for electric service. While appreciating the sympathetic attitude of the Government, and the measures of assistance already given towards rural distribution, the feeling is general that nothing would have a greater tendency to make rural life more attractive and profitable than more general distribution of electric light and power on the farm. The Committee therefore recommends that the Government pursue as vigorous a policy as possible in seeking to effect a more general use of electric light and power in the rural districts of this Province.

WATER SYSTEMS.

The Committee finds that the standards of citizenship implanted by the Ontario pioneer settlers have come down to the present day through the unbroken tie of heritage in the land. The plan of settlement dotted Old Ontario with substantial farm homes. In the majority of cases these farm homes require modernization. In many instances the buildings need repairs, as answers to the questionnaire show, as well as installation of water supply systems and conveniences. Information for the rural home owner and the rural mechanic may be an aid in bringing these about. There is keen desire on the part of farmers and sore need is felt by farm women for running water, with all that it implies in the house.

The cost is declared to be the obstacle. The country tinsmith, who is the logical man to make the installation, hesitates to undertake work in which the "wiped joint," with which he has little or no experience, occurs with considerable frequency. Inexpert installation would be a menace to the health of households. The Committee studied plans that could well be carried out and made accessible for public inspection at various points in the Province. These embrace a complete system of plumbing, sewage disposal and water supply from which the farmers could learn details of cost. The scheme depends upon the co-operative spirit of Ontario manufacturers, who, for the purpose of demonstration, would be asked to furnish at various centres in the Province, in permanent homes, bath, closet, basin in the bathroom and kitchen sink, and, where desired, laundry tubs, septic tank and an electric or gasoline-operated water supply system; these installations to be at actual cost of the materials plus cost of necessary labour and transportation charges. Organizations of rural women could decide upon the points of installation, giving reasonable attention to location with a view to inspection by visitors at stated times.

It is estimated, as the result of research work in the United States, that lack of running water in the homes obliges the farm women to supply unnecessary horsepower of more than sufficient capacity to plow all the grain fields. This Committee was informed that at a meeting attended by thirty-five Ontario farm women only ten had water systems and only fourteen had wringers. Other quotations from the record are:—

"The farmer has not money to install water in his home. He would get this improvement if he could afford it."

"Much of our housework, which would be a pleasurable duty, resolves itself into tiresome drudgery. Many of our girls fly from it at the first opportunity."

IMPROVEMENT OF SURROUNDINGS.

The improvement of the surroundings of farm homes and buildings is another factor. The Committee believes that this is a work to which the Horticultural Societies Branch might well devote more attention. Village and Township Societies should be encouraged to a greater extent by making the basis of the grant more favourable to such societies and having a smaller fee for membership. There are 210 Horticultural Societies, of which seventy-six are classed as rural. Out of a total appropriation of \$20,000 only a little over \$3,000 goes to rural societies.

CO-OPERATIVE LAUNDRIES.

A plan of co-operative laundries has been urged. The Department of Agriculture sent a competent observer to the United States who has made a report on all aspects of cost and efficiency in this community service.

COUNTRY HOSPITALS.

The question of the small country hospital has become a very important one in rural districts. At many of our meetings complaints were made of the great expense incurred in cases of illness, especially when of a severe nature requiring the services of skilled specialists or city surgeons, with graduate nurses and all other charges incident thereto. In fact, it has been claimed that it is now beyond the ability of most farmers and others of moderate means to provide such attendance as has become necessary under present conditions.

This has led to the establishment of numbers of small hospitals having accommodation for from ten to thirty patients, and it will only be a matter of a few years until every town has a small, well-equipped institution with all necessary modern facilities for the care and treatment of every ailment and at a cost to the patient which is only a fraction of what the expense would be in the patient's own home. The hospitals already established are doing splendid work, in which they are assisted by such local organizations as the Red Cross Society, Daughters of the Empire, Women's Institutes, etc. We believe there is no object more worthy of Government encouragement and assistance. They furnish excellent training schools for nurses, where the students are brought more closely in touch with the patients than in the large city hospitals, and also give opportunities for the country surgeon to perform operations under such conditions as render it unnecessary to transport urgent cases long distances to city hospitals.

We regret that the recently incorporated Association of Registered Nurses has been permitted to frame such a curriculum and enforce such conditions as will practically force all small hospitals to close. The Committee recommends that the Legislature take such action as will prevent this result and protect them in the good work they are doing.

FIRE INSURANCE.

A claim has been put forward by farmers that fire insurance companies are effectually shutting them out by increased rates. The Provincial Superintendent of Insurance says fire losses in general have been heavy during the past few years, the ratio of losses to premiums written for 1921, 1922 and 1923 being 57 per cent., 71 per cent. and 64.6 per cent., respectively. The total amount of losses paid by purely mutual companies has increased from \$599,783.83 in 1919 to \$1,186,326.02 in 1923, an increase of almost 100 per cent. During the same period the net amount at risk increased only 29 per cent.

The Ontario Fire Marshal reports barn fire losses in Ontario increased from \$1,124,403 in 1919 to \$2,599,812 in 1923, an increase of 131 per cent. General fire losses for the first six months of 1919 were \$3,739,390 and for the same period in 1924, \$6,683,064, an increase of 78 per cent. These figures indicate that barn fire losses and the losses of purely mutual companies have increased considerably more than general fire losses in Ontario.

The significance of the figures is further emphasized by the Secretary of the Canadian Fire Underwriters' Association, who reported (October 27th) a recent general increase in farm property rates in all section of the Province. The statement continues:—

"This has been brought about only from one cause, viz., that farm business has proved itself to be excessively unprofitable to those companies who were writing that class of business. It is obvious that an insurance company will never decline or refuse to write business if there is a chance of making a profit out of it, and if therefore it is found that a number of companies do not care any longer to write policies upon farm properties, the reason is plain, viz., that they prefer not to accept these risks rather than write them at what they believe to be a certain loss."

It appears to this Committee that conditions demand a practical investigation in order to further methods of prevention of much of the alarming fire loss suffered in Ontario to crop and farm property, as well as to determine a better plan of rural insurance against fire hazard.

ROADS.

County rates are steadily increasing the sum of farm taxation. Recent road construction, which in the main accounts for this condition, is of certain benefit to the farmer. But he naturally looks at his own use of the good roads in contrast with their serviceableness for general automobile traffic. Provincial highways and roads whereon travel is more or less international in character, or to a marked extent of the truck and city business class, do not serve agriculture primarily. Trucks, pleasure cars and touring cars should pay a just share of the construction and maintenance cost of all classes of roads they utilize. The following are characteristic opinions bearing on the subject:—

"Witness favoured a tax on gasoline as an equitable method of paying for road upkeep.

"I would suggest that all automobile revenue be produced from the gas. That would hit the fellow most who is using the roads most."

"The highway is worth something to me, but I think some of the maintenance should be placed on the gasoline."

"County taxes have jumped five times over what they were in 1914. My advice would be a heavy tax on gasoline."

Witness pointed out that the interprovincial road is a national highway and the cost of it should not fall upon the people in the rear parts of townships.

"The road expenditures have been extremely heavy and I feel that this is especially so in the case of this County, which has some thirty-seven miles of Provincial highway. We are called upon to pay twenty per cent. of this cost and in no way is the proportion in keeping with the use we get from it."

"County rates are to-day the highest the farmer has to pay. This is due mostly to road construction. This road construction is not always for the benefit of farmers. Provincial highways in our counties give practically no

benefit to farmers County Provincial roads are to link up with other counties or centres and are of no great value to farmers. This road taxation should be considered no longer as a taxation on properties."

"The road problem is getting worse due to officials of the township not having the proper knowledge of maintaining roads. Practically no repair work is done. A small puddle is allowed to grow as quickly as it likes for three or four years and then it requires a few loads to do what a dozen shovelfuls could accomplish. They have not yet learned the value of sufficient road drainage. Three or four townships might co-operate in getting a suitable experienced man and also machinery, as gravel is getting scarce in parts and it is too much of a burden for one township alone."

This Committee recommends that the Department of Public Highways carefully consider the foregoing as representing opinion generally entertained.

TOURIST TRADE.

The Committee endorses the following suggestion of George W. Ecclestone, M.P.P., for promotion of tourist business in the Muskoka Lakes district:—

"In connection with our roads and our fishing lakes I wish to add a word or two. We have hundreds, perhaps thousands, of small lakes. This country is largely intended for tourists. It is a veritable playground. We want good roads and we want our lakes stocked with fish. Thousands of American cars came through last year. They have to keep to the main highway. They could and should be able to go in by byroads to the smaller lakes. There are hundreds of places where money spent on the side roads would bring hundreds of additional tourists who for the most part come to fish. The Government should take over half of these branch highways and perhaps leave the rest to the municipalities. It is impossible to look to the municipalities to take care of all these branch highways. I would definitely suggest a hatchery for Muskoka. It would mean profit to the district and would benefit the Province. The waters of this country will have to be stocked and restocked. The business is largely from our visitors and we must provide for them."

Approval is likewise accorded to the suggestion put forward by the Secretary of the Peterborough Chamber of Commerce for co-operative promotion of tourist traffic in Ontario. In this and other Provinces the tourist business has helped local markets.

REFORESTATION.

Considerable attention was given by the Committee to this very important question. It is a duty to awake public opinion to the serious condition facing this Province due to the unrestricted and wasteful manner in which our timber is being cleared off the land in the older sections. The view of Mr. J. C. Hallman at Kitchener is representative of many expressions heard by the Committee:—

"If the land were not overcleared we would have better crops. Driving along through the country you do not see the mist rising as it used to rise from the land. We have not enough moisture and it is due to our overclearing. Get

back to the margin of twenty per cent. forest. The woodland moisture is not sufficient. The air is getting dry. The air is being tampered with. The forest floor should be composed of leaves. To-day it is grass where the cattle pasture. The cattle kill the trees, kill the babies of the forest. Fifty years ago I recall the appearance of our splendid bushland. Our Government is inducing us to restore it by planting trees. It will not be altogether a success. We need protection of the remaining bush, fencing against cattle, protection of the forest floor and of the new growth. If we get these our forest will take on new life.

"I recall forty years ago having the Bob White in flocks in our fields. They would clean up a lot of potatoes. I do not think I have seen a Bob White in the last ten years. They have gone from atmospheric conditions that are not normal. Our forest lots will once more become the sanctuaries of our birds and of the game. We need protection for the game birds. Game wardens should be countrymen, not townsmen. The farmer gamekeeper will preserve the farmer's game."

In the most enlightened countries of Europe it is considered necessary to maintain a wooded area of from ten per cent. to fifteen per cent. to conserve moisture and proper climatic conditions. Denmark, a small country, has reclaimed seven per cent. of its land for forest. But we find in some parts of Old Ontario that the bush has been considered an enemy to be got rid of as quickly as possible. The returns show some counties with no more than five per cent. of bush and woodlots.

We have examples of countries which have become treeless deserts consequent on the destruction of their forest growth, and we heartily commend the active and energetic policy being pursued by the Department of Lands and Forests in its system of fire ranging on our public limits and the help being given to anything tending towards maintaining a permanent growth on lands not suited for agricultural purposes. It is gratifying to know that a number of municipalities are taking advantage of the offer of the Government to unite in a scheme of reforesting waste lands, and also that many farmers and others are planting out thousands of trees every year from the liberal supplies being distributed by the Department. We believe too much attention cannot be given the subject and every possible encouragement should be given to induce a still greater interest in establishing municipal forests and farmer's woodlots.

More game sanctuaries might also be set aside to furnish shelter and breeding places for the birds, which serve the purpose of keeping down insects which are a menace to our crops.

Some agitation has been carried on against the export of hundreds of carloads of Christmas trees every year. This has become quite an industry and the United States has recently removed the duty in order to encourage the importation of Canadian trees and to save their own. It might be considered rather high-handed action on the part of the Government to step in and prevent any landowner from selling these young trees, but it might be practicable to have them taken off by a proper system of thinning, and to regularly replant some species of evergreens which would be marketable in about five years. This would furnish a regular crop and a steady source of income.

FUR FARMING.

The raising of fur-bearing animals in captivity has become quite an industry in Ontario. Many farmers have started in a small way and are now earning considerable money. It appears that this should be a profitable and permanent source of income to any person who has the taste and aptitude for it. There is no likelihood of it being overdone as fur manufacturers have become more and more dependent upon the pelts of animals raised in captivity. During the year 1924, 392 fur farms were operating under authority of a license issued by the Ontario Game and Fisheries Department, 168 being new farms. On December 31st, 1923, there were 6,032 animals of all species in captivity, being an increase of 191 per cent. over 1922, valued at \$1,092,340. Fox comprise fifty per cent. of the animals and muskrat forty-five per cent. of all stock. Eighty-two per cent. of the fox were silver fox. Mink, skunk and raccoon are also being propagated successfully, but generally as a sideline on a fox ranch. Fur farming is profitable aside from special price attractions for animals for breeding purposes.

DEVELOPMENT OF NORTHERN AND NORTHWESTERN ONTARIO.

Many in Old Ontario do not realize the possibilities and needs of the Districts of Kenora, Rainy River, Thunder Bay, Algoma, Sudbury, Cochrane, Temiskaming and Nipissing. These Districts are integral parts of the Province of Ontario, rich in natural resources and requiring population. In the interests of the Districts themselves and of the Province as a whole an improved policy of agricultural development is imperative.

The need of a new policy of settlement may be shown by extracts representative of evidence at the public sessions held in Northern and Northwestern Ontario:—

“When land is decided upon as a desirable area for settlement, preparations should take definite form. A township with lines around 160 acres, and no roads at all, but five per cent. reserved for roads, is no plan. The roads should be part of the preparation of opening the township for settlement. This would allow the settler to see where he will put his buildings. He can now only guess at the location of a future road.”

“In new townships to be opened for settlement a great deal of hardship could be overcome if some policy were adopted whereby certain roads would be built before settlers went in and settlers only permitted to take up land along these roads. Only sections suitable for agricultural purposes should be opened up and the balance left as timber preserves. Some farmers who have lived on their farms for some years have not as yet a road.”

“Veteran grants in a great many cases have been lying idle for years hindering the laying out of school sections, the building of roads and the settling of communities.”

“The great harvest is the timber. We have a lot of land located for years the title of ownership to which has not been demanded. The Government should insist that patent be taken out at a certain time or the land forfeited.”

“The greatest need is a system of community agricultural settlement.”

"We must have more concentration of settlement and regulations to prevent the taking off of so much pulpwood. Concentration of settlement would serve the larger number of people at the smaller cost."

"Settlers come in to skin the township of timber and get out leaving the school problem to those who have come in with determination to stay. Settlers should not be allowed to clear out the pulp lands in two or three years."

"There are many scattered settlements with long distances between neighbours, long stretches of road in proportion to the number of settlers and long distances between the settlers and the markets where they should sell their produce. When encouraging settlement in townships and in building roads full consideration should be given to the value to the settlers of a market town within easy driving distance."

"The main obstacle is want of roads. In a distance of 125 miles about twenty per cent. of the settlers have roads. The balance of eighty per cent. have no roads. The majority of settlers in this section never drive a horse in the summer season to haul provisions for their families and cattle. They carry on their shoulders flour, meat, oats and hay for many miles. Many have done so for years. Many have gone away through want of roads. Some have had the courage to face the hardships of settlement under such conditions."

"Settlers should be shown the nearby land that may be bought for \$4 to \$5 an acre."

"For a real farmer with a little capital and a family, 160 acres of homestead land is not nearly as suitable a proposition as a partly improved farm at a greater cost where a school, church, and village conveniences are not too far away."

"Farmer settlers from Old Ontario or from farming sections from Quebec have been the most successful. There have been many from other places who have done well. It would not be wise to discourage settlers of any nationality. But in looking for settlers there should be a real campaign to get settlers from Old Ontario with previous farming experience. The opportunities in the North should appeal to those considering moving. A trainload of leading farmers from various counties in Old Ontario would do much to spread the truth of the farming opportunities in these districts to those who are prospective settlers."

"With more complete settlement it will be profitable to organize co-operative societies where such are not easily formed now because of distance between good farmers, to operate successfully more creameries and start cheese factories and in this way make farming profitable."

While the Committee is convinced that roads should be included in the programme of preparation for the settler, the conditions brought about by methods of settlement followed in the past must be remedied. At all the meetings the settlers emphasized the need of roads as their main difficulty. The following extracts are representative expressions:—

"Some 700 settlers in this section have no roads at all, and it is difficult for any one not intimately understanding conditions to realize the handicap thus placed not only upon the individual settler, but upon the progress of a district rich in possibilities and attractive to settlers with agricultural experience. The fact that so many settlers have gone upon the land without roads demands a policy of expedition at the present juncture, and it would be good policy to give the settlers now on the land clay roads or trails and not wait for the expense and

delay of gravelling as the road work progresses. The opening of roads to the settlers now isolated is a matter of necessity and comparatively slight cost. The gravelling of roads, making them more or less permanent and serviceable for drainage, should be a distinct division of the Government's road policy."

"Many settlers are without roads and are unable to get what they produce to market."

"Settlers were invited to come in and told they would have roads and pulpwood to help them. There have been roads built where there are no settlers and we have settlers in sections without roads. The Government is not getting the benefit it is entitled to from the spending of road money and is following an expensive system of colonization.

"One road will not make a settlement and feeders are needed from the different settlements to the main road to make it useful to the section."

Roads and education are closely linked in the new districts. The settlers are anxious to give education to their children and make heavy sacrifices to build and maintain schools. The want of roads is a great obstacle to school attendance. The settler whose children are compelled to go without schooling inclines to leave the land for the sake of his children. Complaint was also heard in Northwestern Ontario as to the difficulty of obtaining qualified teachers. The Committee is of opinion that a Teachers' Training School should be established to serve the needs of the rural sections of Northwestern Ontario.

Financial assistance for the settlers in the form of short term loans is another requirement of agricultural development. This was dwelt upon by many witnesses:—

"Practically ninety per cent. of the incoming settlers are more or less without funds. In fact, I would say that after they have paid their fare the amount of money which each has varies from \$5 to \$50. It is necessary for these men, after this money has been expended, to come into the towns and cities to endeavour to obtain further funds. This has a tendency to increase the problem of unemployment and in some instances discourages the man, who does not go back on the land. I would recommend a scheme whereby a new settler would receive a loan in instalments in accordance with the amount of work he puts into the land. I think this would materially assist in bringing about a much more satisfactory system of settlement than at present."

"A short term loan used to good purpose is desirable. Applicants for loans do not always give due consideration to the future. Immediate relief may be the prompting spirit."

The Committee is of opinion that the whole system of short term loans in Northern and Northwestern Ontario should be revised and placed under the Department of Agriculture.

In regard to long term loans, one-third of the total loans made by the Agricultural Development Board is made in New Ontario. A large proportion of this money is being used for building purposes, and loans are made only on farms where there is sufficient clearing to permit real farming operations. These loans at six per cent. are of special value in a new country where the rates of interest, even when money is available, are high. The Committee recommends that all long term loans in Northern and Northwestern Ontario be administered under one Board.

The Committee found the settlers in every section desirous of securing cattle—"Our need is roads first and then cattle to stock our cleared farms." They are handicapped because of their great distance from breeders of good stock. With high transportation charges it is impossible for the settlers to get good stock without some Government assistance.

Strong desire was expressed that only pure-bred sires should be used in the North. As one witness expressed it, "We never can hope to succeed in raising live stock as long as the use of scrub sires is tolerated." In this connection the Bull Loaning Policy of the Dominion Live Stock Branch provides assistance in districts in which farmers would otherwise find difficulty in securing the use of pure-bred sires, and the Committee recommends that the Agricultural Representatives of the Ontario Department co-operate to the fullest extent in making this known in their districts and assisting farmers to take advantage of it.

In many sections the farmers are able and willing to buy good grade cows, and the Committee recommends that sales be held by the Ontario Live Stock Branch at convenient points. These sales would be of advantage to Old Ontario breeders as well.

The opportunities offered in connection with the development of the dairy sections is shown by the following evidence:—

"We have a good local market that will take all the cream that can be had.

"There is a great butter market here. I do not think we shall ever need to ship a parcel of butter out of this district."

"Dairy products are brought in which could very well be produced here. A creamery established at a central point where it would be feasible to bring the cream from a large number of farms would be a decided advantage."

Cold storage at Fort Frances would assist the dairy industry in that section and meet the requirements of the market for eggs and meat. It is impossible for farmers in the Rainy River Valley to erect adequate storage facilities themselves.

Representations were made at a number of meetings that the Protection of Pure-bred Cattle Act should be amended to apply to the Provisional Judicial Districts, and the Committee endorses this recommendation.

In connection with the production of field crops attention was called to the need of amending the Weeds Act to make it workable in new and unorganized sections. A great deal of harm is also done through weed seeds shipped in with feed.

The question of a market for hay is one that affects many sections. The following is representative evidence:—

"Shipping out of inferior hay has spoiled the market. We could sell all we produced if we graded it. The people need education on grading and market requirements.

"I would suggest that hay be sold co-operatively and its quality guaranteed."

"The local market has been spoiled by poor quality hay."

"I used to be able to ship hay to the States, but cannot under the Fordney Tariff. Over 600 tons came in here last fall. The import tariff is \$2 per ton and the tariff to the United States is \$4 per ton."

The Committee recommends that regulations regarding the proper grading of hay be made known to all concerned by the Agricultural Representatives; representations and recommendations against the importation of United States hay have been forwarded to the Dominion Government.

It is a well-known fact that the northern and northwestern sections of Ontario produce certified seed potatoes. Transportation of this seed to Old Ontario and other markets is a problem of the industry. In addition to the difficulty of rates, there is the need for warehouses for storage and grading. Generally speaking the grower has no storage facilities. The result is that they are compelled to sacrifice their crops very often. Even granted storage at home, the severe cold prevents hauling to loading points during the winter months. It is during the winter months some of the best markets are available. The Committee recommends that the Department of Agriculture assist the farmers in the establishment of storage and grading warehouses. These might also be utilized for the grading of hay.

There are many lines of agricultural production to which the districts are especially suited, and the farmers should be encouraged, financially and otherwise, in these directions. It is the opinion of the Committee that the surest and most economical plan of bringing these opportunities and the methods by which they may be attained to the knowledge of the farmers is by individual farmers undertaking on their own farms demonstrations along these lines in co-operation with the Agricultural Representatives. The advantage of this plan over Experimental or Demonstration Farms, as advocated at some meetings, is that the demonstrations and experiments would be conducted under the exact conditions on an actual settler's farm. Such demonstrations should be undertaken in lines best suited to the particular district. As some fine agricultural sections of Northern and Northwestern Ontario are without Agricultural Representatives, the Committee recommends that the Government give them the benefit of such help, particularly as all witnesses expressed willingness to co-operate to the fullest extent.

The mining industry continues to exercise a powerful and expanding influence for the return of national prosperity. The centres of population that have sprung up in the mining areas are natural customers of the farmers in Old Ontario. Their trade has been estimated at \$3,000,000. Old Ontario must not neglect quality and standardization if this business is to be retained and increased. The Western Provinces are sending in butter, whilst British Columbia and Nova Scotia are introducing their apples.

In the Sudbury district the Committee was invited to investigate the effects of sulphur fumes upon plant life. The subject has already been dealt with by experts and nothing in point of evidence was added.

Regulations governing the burning of slash are a cause of complaint:—"The settlers would like to have permission to burn land during the summer months. They cannot now burn without a permit. The permit is for two days

and if it should rain they have to go back for another permit." Slashing goes on steadily and the Committee was impressed by accumulations in extensive areas, which, if carelessly or accidentally touched by fire, must prove a formidable danger.

Many sections are specially suited to sheep raising and reference to the wolf menace was general. Among the suggestions offered for a solution of the problem, the following by C. M. Laidlaw, Superintendent of the Department of Agriculture's Demonstration Farm at New Liskeard, seem practical:—

"It would seem that the bounty system is not entirely successful and that it would be in order to have other methods tried out to destroy the wolves that are causing such great losses to sheepmen. The wolf question has been under my observation for a number of years. I have been in touch with those who have suffered loss and with trappers who have successfully tried out methods of trapping wolves, and am confident that a policy could be put in operation that would be more effective than the bounty system alone and not as costly to the Province. My suggestion would be that the matter of destroying wolves be placed in charge of the Department of Agriculture rather than the Treasury Department and the Department of Game and Fisheries, who cannot be expected to appreciate the farmers' needs as fully as the Department of Agriculture.

"To destroy wolves a staff of experienced trappers might be employed, to serve full or part time, to trap, poison or otherwise destroy wolves in those sections where they are causing loss to stockmen. These trappers might be moved from place to place and sent where most needed and if need be a campaign conducted similar to that now carried on to stop the work of the corn borer in southern Ontario. The wolves are just as much an agricultural pest as the corn borer, codling moth and other pests that have already received active attention from the Department of Agriculture.

"In making the foregoing suggestion for destroying wolves by trappers it is not recommended that the bounty system be entirely done away with, but that it be continued as it now stands, in conjunction with the trapping method suggested, until such time as the Dominion Government is persuaded to adopt a uniform and effective policy for the destruction of predaceous animals over all the Provinces.

"The raising of sheep is one of the most profitable branches of live stock farming in the north. In the area surrounding the Provincial Parks, where trappers are not permitted to trap, and in the more broken farming sections around North Bay, Sudbury and Sault Ste. Marie the wolf menace seems to be greatest."

AGRICULTURE AND OTHER INTERESTS.

PURCHASING POWER.

The phases of this enquiry that deal with comparative relations of agriculture and other interests of the country disclose obstacles in the way of permanent improvement in general economic conditions.

The purchasing power of the agricultural population is the mainstay of industrial prosperity. The pinch of agricultural depression passed on to the purchasing power of other classes of the people resulted in unemployment and diminishing consumption. When this enquiry began experts had supplied the

farmer with a new phrase to express his economic disadvantage. They had popularized the symbol of the "farmer's dollar" during the process of deflation. Dollars in the pocket of farmer or factory employee represent purchasing power. When farm and factory commodities alike were readily marketed, the farmer was producing to his utmost ability. The mechanic, also enjoying employment at high wages, was equally satisfied with inflation. It was inevitable that the effects of deflation should strike the farmer and the factory employee from different angles. Money had been in unusually abundant supply for both and became scarcer with contraction of world markets. The farmer's commodities being perishable, he had to market them at lower prices and without loss of time. The factory employer could not quickly reduce his price below overhead cost, but he could cut production and make his commodity scarcer. This recourse meant curtailed employment, unemployment for some, part time for other operatives. Factories had to retain some skilled hands not easily replaced.

The farmer as he sees conditions blames the wages of labour, transportation rates, the price of manufactured commodities, and high interest rates. He claims that these constitute too heavy a tax on production.

BUILDING TRADES.

When asked to give definite form to the impeachment of labour, witnesses frequently referred to building trades. The secretary of the Toronto Building Trades Council, at the Round Table Conference on August 27th, made the declaration that it is only here and there high wages are paid because of scarcity of labour of a special class, particularly bricklayers and plasterers. General labourers are working forty-four hours per week in a seasonal occupation for thirty-four cents an hour. He put the number of building trade mechanics who had moved from Toronto to the United States at 7,800. He was also quite frank with reference to the bricklayers' trade:—

"Let us take the wage of the bricklayer. He receives \$1.25 in the city of Toronto. No matter how you look at it it is a very low wage. It is the lowest wage paid on the American continent outside of Montreal to a bricklayer in any city of half a million. According to Judge Landis the limit which a bricklayer can work in a year, an average, he stated in Chicago, was 172 days a year; it was the best he could do. Our builders' exchange in the city of Toronto voluntarily handed out an increase last year of twenty-five cents, simply because they could not hold good mechanics in the city. It was an economic necessity. Men would not stay for less. The uncertainty of employment, low wages, compelled them to leave Toronto and leave their families here and provide for them.

"Much criticism is levelled at the bricklayer for his responsibility for the increased cost of building. Now let us deal for a moment with the financing of any building project. Let us take the average six or seven room house which is occupied by the artisan. The average number of brick is about 30,000. For laying this brick the bricklayer receives from \$350 to \$400. Then the house has to be financed. The first mortgage, which we will say is fifty per cent. of the cost, would be got at par, but to get the other \$3,000 they have to discount the mortgage twenty-seven and a half per cent. and the man who does absolutely nothing gets twice as much as the bricklayer. It costs \$800 to \$1,000 to finance the ordinary six or seven room house in Toronto. That is where our trouble rests. It costs sixty per cent. of the entire labour cost of building a house to finance it."

Witnesses at some of the sessions claimed that bricklayers are limited as to the number of bricks they are permitted by their organization to lay. Replying to this he said:—"It would be utterly impossible to restrict the amount of work that shall be done. There is work on which 200 brick would be a good day's work; there are other classes where a man to do a good day's work would be required to lay 2,000 to 2,500."

At the same conference the president of the Provincial Builders' and Supply Association was asked to suggest a way by which cost in relation to building could be reduced:—

A.—The only way that could be accomplished is through the labour organizations because so far as the builders are concerned it would be foolish for us to try to do anything except work with them because we cannot put up buildings. We are dependent on the labour associations for labour.

THE CHAIRMAN: Then we get nowhere. You say you want to do something but it is quite out of your power to do anything.

A.—Unless the labour associations agree.

THE CHAIRMAN: Agree to take less money?

A.—Yes.

MR. TREWARTHA: What are the rates of wages?

A.—They vary—in Galt, bricklayers, \$1.00; plasterers the same; carpenters, 70c to 75c; painters, 65c.

MR. TREWARTHA: How much of the year would these men get employment?

A.—A limited number get a good portion of the year when times are good—eight or nine months.

The following table which has been supplied by the Department of Labour, Ottawa, shows a steady increase in rates of wages from 1901 to 1920, and a declining tendency since:—

*Index Numbers of Rates of Wages for Various Classes of Labour
in Canada, 1901-1923.*

(RATES IN 1913=100)

Year	Building trades	Metal trades	Printing trades	Electric railways	Steam railways	Coal mining	Average *	Common factory labour	Miscellaneous factory trades	Lumbering
1901	60.3	68.6	60.0	64.0	70.8	82.8	67.8	.....	.....	.....
1902	64.2	70.2	61.6	68.0	73.6	83.8	70.2	.....	.....	.....
1903	67.4	73.3	62.6	71.1	76.7	85.3	72.7	.....	.....	.....
1904	69.7	75.9	66.1	73.1	78.6	85.1	74.8	.....	.....	.....
1905	73.0	78.6	68.5	73.5	78.9	86.3	76.5	.....	.....	.....
1906	76.9	79.8	72.2	75.7	80.2	87.4	78.7	.....	.....	.....
1907	80.2	82.4	78.4	81.4	85.5	93.6	83.6	.....	.....	.....
1908	81.5	84.7	80.5	81.8	86.7	94.8	85.0	.....	.....	.....
1909	83.1	86.2	83.4	81.1	86.7	95.1	85.9	.....	.....	.....
1910	86.9	88.8	87.8	85.7	91.2	94.2	89.1	.....	.....	.....
1911	90.2	91.0	91.6	88.1	96.4	97.5	92.5	94.9	95.4	93.3
1912	96.0	95.3	96.0	92.3	98.3	98.3	96.0	98.1	97.1	98.8
1913	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1914	100.8	100.5	102.4	101.0	101.7	101.9	101.4	101.0	103.2	94.7
1915	101.5	101.5	103.6	97.8	101.7	102.3	101.4	101.0	106.2	89.1
1916	102.4	106.9	105.8	102.2	104.9	111.7	105.7	110.4	115.1	109.5
1917	109.9	128.0	111.3	114.6	110.1	130.8	117.5	129.2	128.0	130.2
1918	125.9	155.2	123.7	142.9	133.2	157.8	139.8	152.3	146.8	150.5
1919	148.2	180.1	145.9	163.3	154.2	170.5	160.4	180.2	180.2	169.8
1920	180.9	209.4	184.0	194.2	186.6	197.7	192.1	215.3	216.8	202.7
1921	170.5	186.8	193.3	192.1	165.3	208.3	186.1	190.6	202.0	152.6
1922	162.5	173.7	192.3	184.4	155.1	197.8	176.8	183.0	189.1	158.7
1923	166.4	174.0	188.9	186.2	157.4	197.8	178.4	181.7	196.1	170.4

* Simple average of six preceding columns.

TRANSPORTATION.

The tenor of the enquiry points to transportation as the farmer's major difficulty. An emphatic claim of witnesses was that salary and wage scales of railway employees constitute the governing factor of high transportation costs, and that the service is managed for the benefit of the employees. In general effect evidence is similar to these excerpts:—

"The farmer, who is the producer of the tonnage, gets the least consideration. The cause no doubt is the rate of wages paid to railway employees. The producer and consumer are well enough in their way; it is the labour employed in handling the produce that seems to get consideration."

"If they start with the high salaried officials instead of the unskilled labour they will be beginning at the right end."

The employees' interests were fully presented to the Committee by Senator G. D. Robertson, whose statement appears in the Appendix. Statements by the Canadian National Railways and the Department of Labour, Ottawa, are also included.

The wages paid by publicly-owned utilities, including Hydro-Electric undertakings, so far as they may be regulated by International Labour Unions, should not be considered apart from efficiency of service, the common interest of the people who are concerned, and the value of the properties put to public use.

The high level of rates restricts all business as well as agricultural industry and from this standpoint National railways fail in service as a public utility. This expresses the views of rural witnesses, but does not imply opposition to public ownership in principle. The Committee on every occasion asked for concrete examples of exorbitant charges and a mass of correspondence with the Board of Railway Commissioners and the railways is on file. The railways reply that their charges must necessarily be fixed on the principle of profitable operation. They refer to conceded favourable comparison with rates of United States roads. The late Secretary Wallace of the United States Department of Agriculture contended that the lower rates of Canadian roads furnished a reason for downward revision of rates over there. But the rates question is involved by classifications, loadings, etc., that invite scientific readjustment. The per ton value of agricultural produce is relatively low for all farm commodities besides presenting peculiar difficulties of classification. In many instances carlot loadings are unfair to the farmer. The cost of railway service to him is therefore out of proportion to value received.

The familiar argument was submitted that increased volume of traffic is the first essential to making the Canadian National Railways self-sustaining. Railway employees and executives agree that the Canadian roads are economically managed and that the relations of management and employees are satisfactory. It was not shown to the Committee that railway management had in any outstanding way endeavoured to adjust the grievance of agriculture in Ontario under existing rates. Rate adjustments that have been made are not of material aid to Ontario farmers. Nor is the suggestion to stop unprofitable expenditure on extensions adequate to the situation. If the publicly owned National system of railways does not pay, the citizens of Ontario as taxpayers bear the largest

share of the distributed loss. The farmer provides his portion of this distribution while supplying to the traffic a high percentage of tonnage. The Committee has repeatedly been reminded that existing rates hinder farm industry in this Province and diminish legitimate railway business.

The question is not one upon which this Committee can make a direct recommendation. It belongs to the Federal domain. Farmers, because they are both producers and consumers, feel that they are discriminated against. The rural opinion pressed upon the Committee should not be ignored. The Committee would be remiss in its compliance with the Order of the House if it did not take cognizance of the complaints lodged and urge that they be brought to the attention of the Dominion Government.

At the time of presenting this report the Committee is engaged in efforts to secure better rates on agricultural limestone; on feeder cattle from western points to Ontario; on seed potatoes from Northwestern Ontario; restoration of settlers' rates to the districts of Kenora, Rainy River and Thunder Bay. Reduced rates on celery and honey are also being urged and it is expected that these will become effective under Classification No. 17 now before the Board of Railway Commissioners. The Committee feels it advisable and necessary that its efforts in regard to the above and other matters should be carried to final decision.

MANUFACTURERS.

At sessions throughout the Province complaint was heard concerning the price the farmer has to pay for manufactured commodities. The Committee held conferences with manufacturers and retailers and the information received forms a chapter of trying experiences all round not wholly surmounted but looking to renewal of conditions of confidence. All declare the necessity for a real spirit of co-operation.

At the Round Table Conference on August 27th the Canadian Manufacturers' Association submitted the statement included in the Appendix.

The Committee met the members of the Retail Merchants' Association towards the end of November. The trends of the past three years have been decidedly adverse to them. They are competing against mail order business, chain stores and transient traders. High municipal taxes and reduced purchasing power of their customers have involved many losses. One representative merchant of a town of 7,000 population showed the Committee an average mark-up not in excess of his overhead. The future is less roseate for these merchants than for any other business class. Reasons advanced for legislative consideration in their interest are:—

"No city, town or village could exist unless it had in it retail merchants carrying permanent stocks of various lines of trade so that the various lines of goods could be secured immediately when required.

"In all cities, towns and villages the land and buildings occupied by retail merchants is the most highly assessed, proving that it is expected that they should pay taxes for the privilege of doing business in the municipality, and as they are paying the highest rate of taxation, with a further taxation on business assessment, and income taxes as well, they should not be exposed to the unfair competition of those who pay no taxes whatever or those who pay very little.

"Retail merchants located permanently in a municipality can be held responsible for the quality of the goods they sell."

Reference was made to the spread in price between hides and boots and shoes and harness. Representatives of the tanning companies located in Ontario appeared before the Committee and made the following statements in explanation of the spread from hides to leather:—

"We have made a careful analysis of the difference in the prices of materials used in tanning in 1914 as compared with 1924 and the percentage of increase in each case is as follows:—Hemlock bark, 63; Quebracho extract, 42; Chestnut Oak extract, 55; Spruce extract, 35; tallow, 62; Cod oil, 86; slack coal, 66; labour, 80; freight rates, 90; taxes, 141; decrease, native steer hides, 0.52 per cent.

"Notwithstanding the heavy increase in the cost of tanning as shown by the above percentages, sole leather made from native packer steer hides at the present price of eighteen cents per pound costs only thirteen and a half per cent. more than sole leather made from the native packer steer hides costing nineteen cents per pound in 1914. Similar conditions prevail in regard to the price received by tanners for harness leather. This illustrates the fact that the price the tanner receives for his product has increased only slightly in comparison with the great increase in the cost of tanning and explains the reason why few of the tanning companies made any profits, and why, on the other hand, many of them have suffered heavy losses during the past three years.

"We would now like to explain why we pay more for hides taken off by packers than we pay for hides taken off by the farmer. It is obvious that the packing companies, who are in a position to maintain a staff of highly skilled employees, can remove the hide from animals more efficiently than farmers who skin only an occasional animal and consequently have not the opportunity to obtain the necessary skill and experience.

"Let us illustrate why the packer hides are worth more than the country hides. Packer hides are removed by experts, country hides by unskilled men; packer hides are uniform and have few cuts or scores, while country hides are not uniform and have numerous cuts and scores; in packer hides sinews, udders, tail-bone and dewclaws are removed; in country hides they are left on; there are few hair slips and salt stains on packer hides, while there are many on country hides; packer hides are well cured with clean, coarse salt, while country hides are often not thoroughly cured and dirty or fine salt used; packer hides are carefully handled and the yield of leather is high and reliable; country hides are often carelessly handled and the leather yield is low and uncertain; packer hides are not frozen, while many country hides are frozen in the winter; packer hides are bought in carload lots by the tanner directly from the packing company, while country hides are picked up in small lots through numerous dealers.

"Country hides are used by some tanners only and cannot be used by other tanners. Some of these country hides are used in the production of sole leather and of heavy shoe upper leather, but they cannot be used for sole leather in high-grade welts or turn shoes; country hides are not used at all for the production of harness leather because they are cut and scored to such an extent in removing them from the animals through lack of the necessary skill and experience.

"We believe that the farmers would obtain a better price for their hides if some method could be devised by them to improve the take-off condition and

marketing of country hides. As tanners we would be glad to co-operate with the Government, the Agricultural Colleges and farmers' organizations to improve the method of removing, curing and marketing hides produced by farmers in the Province of Ontario."

Mention was also made by the tanners of grub holes in Canadian hides and it was suggested that the farmers study the pamphlet "Insects Affecting Live Stock" issued by the Federal Department of Agriculture.

The boot and shoe manufacturers' position is stated in a memorandum submitted by the secretary of the Shoe Manufacturers' Association of Canada which says:—

"The shoe manufacturers have no control of the prices at which shoes are sold to the public. Not a shoe factory operating in Canada to-day has anything in the nature of a fixed resale price, but it is common knowledge that comparatively few retailers are making any money and thousands are not breaking even.

"The figures of the Dominion Bureau of Statistics show that the average wholesale price of boots and shoes at the present time is less than thirty-one per cent. higher than in 1913. Meanwhile the prices of all commodities, raw materials and manufactured goods have increased by an average of fifty-seven per cent. Surely the increase in the price of boots and shoes is not unreasonable in comparison with the advance in the prices of foodstuffs and other necessary commodities, including the following, all of which enter largely into the cost of living:—

	Percentage increase over price in 1913
Grains.....	79
Milk and its products.....	38
Fishery products.....	50
Vegetables.....	45
Sugar and its products.....	85
Bakery products.....	80
Lumber and timber.....	47½
Woollen yarns.....	93
Hardware.....	83
Coal.....	118

"It will be noted that the prices of foodstuffs and other necessities of life are much higher than before the war. These determine to a very important extent the remuneration which has to be paid for labour and services and the prices of materials, and the cost of goods of all kinds is affected accordingly.

"Farm boots used to be made of hemlock bark tanned leather. Now the demand is for a softer, better and more expensive leather, which has to undergo a chrome retannage (the army leather tannage). There was a time when there was a demand for farm boots roughly made and without much finish. Wearing qualities alone were considered. In many instances the boots were shipped loose in boxes or even in barrels and without laces, but to-day even work boots must be carefully finished throughout and packed each pair in its individual carton and with laces. All these refinements have added in some measure to the cost, but the manufacturers have no alternative but to supply goods which, and as, the public demands. And the demand is for better and more expensively-made product, of better material and better finished throughout. To-day work boots must be finished on follower lasts, ensuring the utmost in appearance as well as in wearing qualities, but requiring an additional outlay by the manufacturer. The factory wage cost of making a pair of men's work boots in the same way as in 1913 is higher by about 66 2-3 per cent., and, in

addition, the extra finish now required over and above the finish which was required before the war means an extra cost for wages alone of eight cents per pair, and this is not a small item on shoes for which the retailer pays \$2.90 to \$3.00 per pair, including sales tax of two and a half per cent. Pre-war prices of boots and shoes did not include either shipping cases or laces, which were charged for separately, whereas these items now are included in the prices quoted. They mean a further difference of four and a half cents or five cents per pair of boots. Allowances for the cost of extra finishing, for improved construction and for cases and laces reduce the apparent advance over pre-war prices by five per cent. or more.

"Analysis of the selling price of a pair of men's medium price shoes, goodyear welt—shoes of a grade sold to the retailer at about \$3.65 or \$3.75 per pair, including sale tax—shows the following approximate figures:—

Cost of materials.....	42%
* Labour (factory, shipping, etc.).....	30%
Selling commission to travellers.....	6%
Overhead, including rent, fuel, power, lighting and all general and administrative expenses.....	10%
Royalties.....	2%
Bad debts.....	2%
Cash discounts.....	2%
Sales tax.....	2½%
Margin from which the manufacturer must meet unforeseen expenses and all contingencies, abnormal credit losses, losses on stock, etc., etc., and find his profit, if any.....	3½%
	<u>100%</u>

The general organizer of the Boot and Shoe Workers' Union also appeared before the Committee. He stated:—"Labour is said to be responsible to some extent for the cost of things because of our restricted production, or, in other words, that we prohibit men or boys from entering the industry. I say very frankly as far as our industry is concerned we have never suggested to any of the operatives that they should do a certain amount of work in a day. Our work is very largely piece work. So far as men or boys or girls entering into the trade, we have absolutely no restrictions as to how many learners should be taken on in any factory."

Canadian made shoes to-day are declared to be of as good quality as imported goods and competition among the Canadian factories for the limited requirements of the Canadian market protects the public against excessive prices.

At many sessions of the Committee farmers asked that manufactured products be marked as to the character of the material in their composition. Various materials enter into many manufactured articles. Boots and shoes are an illustration. The materials entering into their manufacture have not been standardized in any country. The competition met by the Canadian manufacturer comes from the United States and Europe. The best protection the purchaser can seek under the competitive system is the plan of dealing with established, reputable manufacturers and merchants.

The price of farm implements was a subject referred to at most of the meetings. Implement makers assured the Committee that never in the history of the industry was Canadian demand for machines of every class at so low an ebb as now. The implement manufacturers cannot make overhead upon their export business and in order to stimulate sales a reduced price list for the principal

machines sold in Canada was agreed to. This reduction came in December. The following statement from the Massey-Harris Company indicates the extent to which reductions have gone:—

6 ft. binder, 3 horse, reduced by.....	\$10 00
No. 21, 20-section mower “	4 50
No. 3, 30-tooth rake, “	2 00
No. 2, 6 ft. hay loader, “	5 00
No. 8, 12-disc harrow, “	2 50
No. 7, 13-tooth cultivator, “	3 00
No. 8, corn cultivator, “	2 00
No. 5, 11-disc drill, “	2 50
4½ h.p engine, “	15 50
3½ in. 2½ x ½ in. wagon “	5 00
Farmer's Friend gang plow “	5 00
Walking plow, “	75

A comparative list of prices was also supplied by the Cockshutt Plow Company, as follows:—

	1924	1925
6 ft. binder.....	\$222 00	\$199 00
5 ft. standard mower.....	87 00	80 00
Corn binder.....	223 00	200 00
9 ft. Tiger rake.....	46 00	42 00
Side delivery rake and hay tedder.....	119 00	115 00
Rake bar loader, 6 ft.....	132 00	121 00
9 ft. 27-roller.....	81 00	78 00
No. 7, 13-disc drill, 6 in. spacing.....	145 00	137 00
No. 4, 13-disc drill, 7 in. spacing.....	146 00	140 00
No. 4, 13-hoe drill.....	135 00	131 00
No. 5, 13-disc drill.....	180 00	163 00
No. 5, 13-hoe drill.....	167 00	156 00
13-tooth broadcast seeder.....	114 50	102 00
No. 2, spreader.....	173 00	163 00
Corn planter.....	92 00	83 00
No. 2, corn cultivator.....	70 00	67 00
No. 5, corn cultivator, 2-row.....	95 00	88 00
No. 3, 13-tooth Champion cultivator.....	76 00	69 00
No. 1, 9-tooth Climax cultivator.....	89 00	82 00
No. 1, 13-tooth Climax cultivator.....	103 00	98 00
17-tooth Champion cultivator, power lift and engine hitch.....	110 00	98 00
No. 3, 12 x 16, disc harrow.....	54 00	49 00
No. 4, 12 x 16, disc harrow.....	44 00	42 00
Double disc harrow, No. 1, 12 x 16, and No. 4, 14 x 16.....	101 00	80 00
No. 16, scuffer.....	13 00	12 00
16-tooth springtooth harrow, 1½ in., steel frame.....	17 00	15 50
Diamond harrow sections.....	6 00	5 00
Scotch clip harrow sections, 20-tooth, ½ in. bar.....	7 25	6 50
Lever harrow sections.....	13 50	12 00
17-tooth lever spring tooth harrow.....	34 00	31 00
Harrow carts.....	16 00	15 00
Weeders, 8 ft.....	18 00	25 00
Double hopper pulper.....	22 50	21 00
Wheelbarrow.....	7 00	7 00
No. 80, tractor plow, 10 x 12 in.....	105 00	95 00
Beaver gang.....	97 00	85 00
Ontario footlift gang.....	120 00	110 00
“ “ sulky.....	84 00	74 00
Beaver sulky.....	64 00	59 00
Maple Leaf gang.....	54 00	50 00
No. 21, plow.....	21 00	19 00
No. 4 gear, 3½ in. x 2½ in.....	107 00	96 00

The Committee visited the farm implement factories, saw the employees at their labour and were afforded all information required. No other conclusion can be come to than that implement factory hands are not receiving unreasonable wages. They are not organized, with the exception of moulders who are partially organized.

Two factors were emphasized by rural witness in respect to the implement industry—agents' commissions and high cost of repairs. The experience of implement makers is that the business cannot be carried on satisfactorily without local representatives. Various mail order houses have endeavoured to carry on the sale of agricultural implements but none of them have been successful, the reason being that they are unable to give the required service to the customer in the field. This is an important consideration to the purchaser of an agricultural implement. It is important that stocks of repair parts should be conveniently located so that farmers can get prompt service during the busy season. Local agents carry more or less extensive stocks for repairs, although complaint has been made that frequently they have to order by express before field service can be rendered. A good deal has been said to the Committee by farm witnesses about standardization, but all enquiry that has been pursued leads to the conclusion that standardization is an aim not easy of accomplishment. Experimental work in this direction is in progress and those engaged in it best understand the difficulty of the task they have undertaken. It appears to this Committee that the practical remedy for agents' commissions is the formation by the farmers of a co-operative buying agency.

The implement makers correct the statement that machines are sold more cheaply abroad than at home. The following table gives the prices at which the principal Massey-Harris machines are sold in Ontario and abroad:—

Machine	Ontario	Great Britain	France	Australia	Argentina
6 ft. binder with sheaf carrier and truck.....	\$251 50	\$299 38	\$320 51	\$462 18	\$428 00 (less truck)
8 ft. binder with sheaf carrier and truck.....	281 50	318 54	362 14	559 48	502 00 (less truck)
5 ft. mower.....	96 00	135 32	105 73	192 17	180 00

It is stated, in addition, that most countries have a dumping clause in their tariffs which would prevent Canadian implement manufacturers exporting at lower than home prices.

INTEREST RATES.

References were made to the comparative scarcity of money at reasonable interest rates for farm credit. In this connection the chairman of the Agricultural Development Board declares the experience of the Board indicates that in many sections of the Province there is very little local money available for farm mortgages, and the money available under the Board at six per cent. has had a steady influence on interest rates. Ontario farm mortgages are the safest kind of investment. The secretary of the Association of Mortgage Companies gave the following evidence on September 3rd:—

There is no class of security we like better to lend on than farms.

Q.—What are the rates of interest?

A.—Seven per cent. is the prevailing rate, with certain six and a half per cent. loans, by companies located in Toronto. I do not know what companies outside Toronto are lending at. The rate is governed by the cost of money to us.

Q.—That is six and a half per cent. to farmers? A.—Yes.

Q.—Covering five to ten years? A.—Yes.

Q.—Do you see any tendency to the lowering of interest rates?

A.—There has been a lowering and there should be a lowering. Our money comes mostly from England and Scotland on what we call our Scottish debentures and on account of the war and the rate of sterling exchange we have not been

able to bring out money and the result is money is lying over there uninvested and when we can bring that out at a cheaper rate we can lower the rate here.

Q.—But looking at it from the standpoint of the farmer, any one that is interested in borrowing had better borrow on short terms or with the option of paying off in a short time because the probability is interest rates will be reduced?

A.—If anything they should come down.

W. A. AMOS, President, U.F.O.:—Might I ask if the secretary does not find that diminution in the business of farm loans has been due to loan company rates as compared with the possibilities of borrowing money at country points?

A.—Quite, we are absolutely governed in our rates by the cost of the money to us, and when a man can borrow from his neighbour or from somebody at a lower rate, we cannot reduce our rate to meet him. Instead of trying to meet him and cutting our rates, our borrowings in England or Scotland are restricted.

MR. AMOS: So you are not leaving the impression that the demand for loans is less than it has been?

A.—I rather think that the demand is somewhat less from the fact that a great many more farmers appear to us to have their farms free from encumbrance.

MR. AMOS: Has your association any definite figures as to the diminution of farm loans?

A.—I do not think it would be possible to get more than an approximate idea. I would say, roughly, that where up to 1900 the bulk of loan companies money in Ontario was invested in farms, now a very small percentage of it is. That is about as much as I can say. Probably now twenty-five per cent. whereas the larger part used to be.

MR. AMOS: Yes, but you would not say that that was any proof that the volume of farm loans had changed; that would be only relative loans on the farms as compared to the bulk of loans to industry, and if the bulk of loans to industry had increased that would not prove anything?

A.—I do not suppose the aggregate amount of money invested by loan companies to-day is proportionately greater compared to the growth of the country in the past fifteen years. There has not been any great increase in the amount of money on mortgage through loan companies.

With the restoration of sterling exchange the prospects in January were bright for a considerably increased volume of British funds being made available in Ontario with a resultant drop in mortgage rates.

The need of a spirit of co-operation between bankers and farmers in connection with short term loans was stressed at many meetings. Banking credit of this description cannot be overlooked as a factor influencing efficiency of farm production, and the Committee regrets that constructive suggestions were not made by any representative of the Canadian Bankers' Association in response to the Committee's invitation.

Respectfully submitted,

D. JAMIESON, *Chairman.*

T. A. THOMPSON,

N. W. TREWARTHA,

W. D. BLACK,

WM. KEITH,

M. M. MACBRIDE,

J. G. LETHBRIDGE,

A. BÉLANGER,

P. F. CRONIN, *Secretary.*

APPENDIX.

Statement by Col. W. J. Brown, President, Western Ontario United Boards of Trade, June 13th, 1924.

For five years the Western Ontario United Boards of Trade, an association with which some twenty Boards of Trade and Chambers of Commerce are affiliated, have been studying the problem of rural depopulation in the fourteen counties, namely, Essex, Kent, Elgin, Norfolk, Lambton, Middlesex, Oxford, Brant, Huron, Bruce, Grey, Perth, Wellington and Waterloo.

The region of Western Ontario represents roughly about a third of the more thickly settled sections of the Province. We have about 28 per cent. of the population according to the census of 1921, but only 3 per cent. of the land area in square miles of the whole Province. We have 28.27 per cent. of the Provincial assessment; we pay 25.97 per cent. of the municipal taxes and 26.44 per cent. of the school taxes. In assessed acres we have 32.24 per cent. of the rural area; 43.9 per cent. of the clear acreage; 42.82 per cent. of the field crops; 43.86 per cent. of the value of field crops, namely, \$97,960,147; 44 per cent. of the cleared pasture acreage; 47 per cent. of the orchard acreage; 41 per cent. of the small fruit acreage; or an average of 45 per cent. of all field crops. This section produces 80 per cent. of the beans, 62 per cent. of the flax, 78 per cent. of the corn for grain, 88 per cent. of the sugar beets and 30 per cent. of the potatoes grown in the Province. We have in these counties about 49 per cent. of the live stock of the whole Province. In addition there are certain agricultural industries peculiar to Western Ontario, for example, condensed and powdered milk—value in 1922, \$2,600,000; celery value in 1923, \$120,000; onions, \$288,000; tobacco, \$2,240,000; flax fibre about \$253,000. The manufacturing establishments in this area, considered from the standpoint of number of employees and amount of wages paid, are equal to between 26 per cent. and 27 per cent. of the total for the whole Province. Certain special industries not previously referred to which yield considerable wealth are salt, crude petroleum and natural gas. About a third of the fish for the Dominion are caught in adjacent waters.

The fourteen counties constitute a community and may be treated as a unit. When considering this area we are studying the conditions that prevail in practically a third of the whole Province. The shrinkage of rural population from 1901 to 1911 was 48,666, from 1912 to 1921, 38,113, or 86,779 in the twenty years. The farmers of this area are severely handicapped because of the lack of competent farm help. This is true despite the efforts of the Provincial Immigration Department. Comparatively few farmers are planning to utilize help because they cannot get it and have changed their methods of tillage and their whole system of farming accordingly. They lay down large acreages into grass and have reduced to a minimum all farm operations requiring labour. They get along by exchanging work with one another during haying and harvesting, but for the most part on farms of average size the farmer and his family do all the work. We have one of the largest agricultural areas on the continent of America, capable probably of supporting the whole of the present population of the Dominion of Canada and yet the evidence before us shows that in the aggregate large acreages are standing idle and production is on the decline. The reverse should be the case because of the proximity of the Agricultural College and because of the magnificent work that the experiment stations have done during recent years. Agricultural science and research have made marvellous

strides in the last generation, but it is difficult to apply scientific principles to agricultural practice and to make farming as profitable as it should be on account of the inadequate supply of farm labour. Another phase of this problem intimately related to what I have already said is that of the need of help in the farm homes. Time and again the statement has been made in women's conventions that they cannot raise a family of children and do the work of the farm home without more help. It is clear that unless a change takes place our population will suffer and all lines of business and industry will be seriously curtailed.

The United Boards of Trade sent out a questionnaire to 157 township clerks of our constituency and received 122 replies. These showed that at the present time farms aggregating 229,607 acres are for sale, 92,720 acres are included in unoccupied farms exclusive of farms abandoned as useless, 152,200 acres in pasture in excess of actual requirements.

A few details, as examples, from the replies to these questionnaires may be of interest:—

(a) In the matter of cleared land in pasture over necessary requirements or idle land which may be cultivated, the incomplete returns show that Bruce has 31,000 acres; Wellington, 20,000; Grey, 13,300; Norfolk, 9,400; Essex, 6,600 and Oxford, 5,500.

(b) With reference to the vacant or unoccupied farms, not including abandoned farms, Bruce county shows 10,600; Huron, 11,050; Middlesex, 33,450; Kent, 4,000; Elgin, 3,000; Brant, 3,300; Perth, 4,000; Wellington, 7,000.

(c) In reply to the question re occupied farms for sale, the total has been given as more than 229,000 acres—certainly an under-estimate. However, the counties in this respect are recorded as follows:—Wellington, 76,000; Middlesex, 23,000; Huron, 22,000; Perth, 19,000; Grey, Bruce and Brant about 12,000 each; Elgin, 11,000; Essex, 9,000; Lambton, 8,000; Kent, 7,000.

(d) The requests for farm help from each township were disappointing, due to the fact that methods of farm practice have been changed on account of the scarcity of labour. However, 1,000 men can be placed in Western Ontario immediately—an absurdly small number. One county made a survey recently with reference to this particular question and found that the farmers are ready to employ 550 men in that county alone. If a similar survey were made throughout the other counties we should probably find between 7,000 and 8,000 men are necessary to provide adequately for the rural labour needed in this section. Several townships reported that many more men could be used, but the farmers are not in a position to pay the wages asked. Rural labourers, in demanding wages, often have in mind urban conditions, which are entirely different. At the end of the year the rural labourer is further ahead and has more money saved than a workman of corresponding skill receiving twice the wages and living in a town or city.

(e) We endeavoured to ascertain the number of vacant houses which could be utilized for married men who might hire to local farmers. The answers to this question are also disappointing. Apparently a great many rural residences have been torn down or turned to other uses because of high taxes. However, there are practically a thousand such houses available in this section. Huron County has 192, Middlesex 146, Norfolk nearly 100, and other counties smaller numbers. It is suggested that additional cottages erected on farms for the use of the farm help should be exempt from taxation.

(f) From almost every source we have been informed that there is a great dearth of men for rural trades. It is exceedingly difficult for farmers to get their buildings repaired, their fences built and other necessary work of a similar character done by competent men. The answers to the questionnaire revealed that there is a pressing demand for forty-seven blacksmiths, eight wheelwrights, nineteen house builders, thirty-two masons, eighteen house carpenters, thirty-three general carpenters, shoemakers, harness repairers, painters, decorators, paper hangers and men who are skilled in drainage work.

While with improved machinery it is not now necessary for so many men to be employed on the land to produce the same crops as were formerly produced, yet it is impossible for one man to work successfully 100 acres or more under the prevailing conditions of diversified farming. The weed problem alone is a menace to the future of agricultural prosperity. The land in Western Ontario will respond to intensive cultivation.

Anyone who is acquainted with the situation knows that we are not at the present time replacing the farmers who have given up farm work on account of age. The whole country is gradually being put under grass and the time is not far distant, unless a change occurs, when there will be such a small quantity of food products available from this section and so little marketing done that every manufacturing and commercial establishment in this area will have to curtail their production for local markets because of the lack of purchasers for their goods. It is hoped that there will be an effort to supply the demand for farm labour, that new methods of marketing may be brought into use and that the demands of export trade will be the guiding principle in production. But, considered from all points of view, it may be stated without fear of contradiction that rural depopulation is a social and economic calamity which must be checked if the future prosperity of this country is to be assured.

*Statement by President Reynolds, Ontario Agricultural College,
September 2nd, 1924.*

The movement of population cityward is not a drift but an adjustment brought about by intelligible causes:—

1. The adoption in recent times of labour-saving machinery for farm work. This machinery increases the productive power per man on the farm and lessens the number necessary to produce a given quantity of food.

2. The spread of agricultural science (or knowledge) resulting in more economical and more productive farm management, for example, improved varieties of cereals, roots, grasses and clovers introduced by the Agricultural College; better live stock; more effective soil management (crop rotation rather than summer fallow), with better control of weeds and soil fertility; more effective orchard management (pruning, spraying, cultivating, cover crops); the use of nitro-cultures on clovers and other legumes to insure an abundant crop; all these and many other forms of better farming increase productive power per man and lessen the number of producers necessary.

3. The decline of domestic farm industries (spinning, buttermaking, sugar making, soap making, canning and preserving).

4. The tremendous industrial development in towns, requiring all kinds of skilled and unskilled labour. These industries have manufactured in towns and

cities the implements used on the farm and have thus been the occasion of transferring labour from the farm to the factory.

5. Factories for manufacturing dairy products, woollen mills, canning factories, etc., have transferred industry from the farm home to the town factory.

6. The growth of towns consequent upon the industrial development has meant a great building programme of factories, office buildings and dwelling houses. This building programme sets up a competitive bid for labour and reduces the number of people seeking work in the country.

7. Amalgamation of industries (combining a number of small shops and factories with one large concern so as to produce more cheaply, it is alleged, through mass production) has closed most of the small village shops (shoe making, blacksmithing, tailoring, wagon making) and has reduced the population of villages that are counted among the rural population, while increasing the population of towns and cities.

8. The standard of living has been rising among both town and country people. The higher standard of living demands services of mechanical and professional character, all of which find their location in the larger centres. Doctors, dentists, nurses, barbers, professional amusement purveyors, confectionery and ice cream manufacturers and vendors, garage operators are giving increasing services to more and more people. These occupations offer allurements that, to the prevailing taste in occupations, are superior to the opportunities of farm life.

9. Agriculture has been and still is largely an unorganized industry. Nearly all other industries and occupations are organized—the trades, manufacturers and professions. An unorganized industry is bound to suffer economically in comparison with organized industries.

10. The farmer produces the raw material of manufacture and commerce. In carrying those raw materials to a finished condition—such as wheat finished into flour and bread, or wool into garments, or hogs into bacon and ham—the intermediate industries, being organized, manage to collect often more than their due share of the value of the finished product, and thus the farmer gets less than his due share.

11. The products of the farm must be graded, packed, shipped, stored and held from one season of production till the next and marketed in an orderly fashion as consumption demands. These intermediate services are usually performed by those called middlemen; and these too frequently manage to collect more than their due share of the ultimate value of the products.

12. Economic necessity compels the farmer usually to sell as soon as his product is ready for the market; for examples, the wheat of the Western farmer, the cheese of the Ontario dairyman are frequently “dumped” on the market during the period of highest production. Buyers who have provided themselves with the necessary capital or credit buy at the low prices forced by the dumping and sell for higher prices in periods of slack production. The unorganized farmer has neither the capital nor the credit to enable him to hold his product and market it to the best advantage.

The first seven of these causes are economically inevitable and, in the main, desirable as evidences of growth and civilized prosperity.

The eighth—elevation of the standard of living—is right within certain limits, but in some forms may be called luxuriousness and extravagance.

The last four causes may be called the economic discouragements or disabilities of agriculture resulting from lack of organization. These disabilities can be removed best by intelligent, united action by the farmers themselves through some form of co-operative marketing.

Statement by Senator G. D. Robertson, August 27th, 1924.

The transportation problem is one of paramount importance to all classes of Canadian citizens. All are concerned in and affected by the cost of transportation and if the publicly owned National System of Railways does not pay its way all citizens as taxpayers must participate in bearing the loss. It has been stated to your Committee that cost of transportation is perhaps the biggest stumbling block to agricultural recovery and that labour costs are in a measure responsible for the increase in freight rates. May I, therefore, deal with two questions, viz., the causes of present transportation costs and whether or not railway employees' wage rates are too high.

Canada has one mile of railway line for every 250 of its population. The United States has over 400 people to support and create traffic for each railway mile. Increased volume of traffic is the first essential to making our railways self-sustaining. If Canada had now 150 more people to each mile of line our railways would be flourishing and rates reduced. The premature construction and necessary continued maintenance of thousands of miles of road that must for years to come be unprofitable is the chief cause of our present predicament. Only those who travel extensively through the newer parts of Canada and see these lines built through country where only one acre in twenty is yet settled realize the tragedy of the railway situation. Only they can fully appreciate the crime of building further unprofitable lines at public expense until the vast spaces now served by existing railways are peopled. This is, of course, a national and not a provincial question. It is, however, of vital importance to the older portions of the Dominion where so large a percentage of railway traffic originates as rates are fixed to meet the national requirements.

Notwithstanding this serious handicap, rates are to-day lower in Canada than in the U.S.A. This fact is the best possible proof that our railways are efficiently and economically managed, especially when one realizes that, owing to more severe climatic conditions, the cost of operation is substantially greater in Canada.

Agricultural interests in Ontario feel that existing freight rates are oppressive. There is much to justify that view. Apart from the general and fundamental cause of high rates already mentioned, it is to be remembered that the railway companies proposed substantial reduction in rates to apply all over Canada which, with the approval of the Board of Railway Commissioners, they were prepared to make effective. Just at that time the Federal Government, wisely or otherwise, put in force a drastic cut in grain rates in Western Canada which caused the railways a loss in revenue of over \$25,000,000 in 1923. Because of this it was, in the opinion of the Railway Commissioners and the railways, impossible to reduce rates generally as intended. According to evidence submitted to the last Federal Parliament from two different sources the rate adjustment saved the farmer eight cents per bushel, which materially aided the agricultural industry, though not in Ontario, which is the Committee's chief concern in this enquiry.

Turning now to the question of railway employees' wages and their effect on railway rates. There are, roughly, 200,000 railway employees engaged on Canadian railways. They receive wages comparable to those paid by United States lines, though justly entitled to higher compensation owing to more rigorous climate and consequent higher living costs. During the war both rates and wages advanced. The wage increases followed but never overtook the rise in the cost of living, nor did they ever equal the rise in the prices of farm products during that period.

The peak was reached in both wages and cost of living in 1920. Since 1920 the wages of railway employees have been very substantially reduced and the terms of employment so altered as to cut their earnings between forty and fifty million dollars a year. On July 16th, 1921, the wages of all railway employees (not including officials) were reduced on an average of \$13 per month, or, roughly, thirty million dollars annually. The railways demanded this reduction, not because of any existing or imminent rate decrease, but because the cost of living had declined. In 1922 further downward revisions of wages and earnings occurred, so that at the present time the railway employees are giving the equivalent of their 1920 service for approximately forty-five million dollars less money.

Two years after the universal wage reduction the railways were hit by a substantial rate cut on grain in the West, causing them a loss of twenty-five million dollars last year in freight earning, which amount remained in the farmers' pocket.

When it is remembered that the railways had already saved sixty million by reason of the 1921 wage cut, to say nothing of the further reduction in 1922, it must be obvious that the employees had already paid the railways loss of 1923 account of rate decrease more than twice over. The simple fact and net result is that there was transferred to the pocket of the farmer twenty-five million dollars, or about one-third of the amount already deducted from the employees since 1921. Although Ontario agricultural interests have not profited by the rate reduction of the West, the railway employees in Ontario have contributed their full share of the wage losses.

To enable your Committee to intelligently judge as to the fairness, or otherwise, of the prevailing wage rates a few simple statements of fact may be helpful.

The prevailing rate for unskilled labour engaged in improvement and maintenance work on railways in Ontario in 1924 has been twenty-five cents per hour. From this \$5.50 per week is deducted for board, leaving the employee \$6.50 per week net. The railways have this year paid this rate to thousands of men, which is about half the wage paid civic labour and about half of what might be regarded as a reasonable minimum living wage under existing living costs. Rates for clerical employees range generally from \$70 to \$100 per month in Ontario, and these constitute a numerous class principally located in towns and cities. Calculate the cost of renting, heating and maintaining the humblest home in Toronto and the conclusion will quickly be reached that it cannot be done on the salary quoted. Permanent maintenance way men, numbering approximately 25,000 in Canada, receive forty cents per hour or slightly less,

equal to \$80 per month, and these may be reasonably compared with the clerical staffs. Next may be considered 36,000 shop employees, all skilled workmen, who, if steadily employed, would earn an average of about sixty cents per hour or \$120 per month. These are largely married men with established homes and families. At present, owing to depression in business, these staffs are largely unemployed or working part time so the available employment may be spread over as many as possible and help all to exist. In engine and train service the same condition exists, a substantial proportion working only part time, as they are paid by the hour or miles run, and when business is dull are not called, hence not paid. The locomotive engineer, regarded by the public as the most highly paid class of railway employee, receives less per hour for his services than skilled workmen in many other lines, and less, for example, per hour of service than the ordinary village school teacher.

Probably the most accurate and reliable information on the subject is to be found in the Annual Report of the Department of Railways and Canals, where a complete classified statement appears showing that the average wage of all the employees in all classes of service from the President to the messenger boy, both inclusive, was sixty-four cents per hour or \$127 per month. Deduct from this the cost of rents, fuel, expenses away from home on the line, heavy insurance rates because of hazardous occupation, and the amount left on which to maintain and educate a family becomes small indeed if all received even the above quoted average wage.

To further decrease wages will surely not solve the transportation problem. On the contrary such a course would inevitably aggravate it. The successful operation of a railroad depends upon the loyalty, efficiency and honesty of the employees more than on anything else. Canadian railway managements have accomplished wonders in this direction. It is surely true to say that but for the splendid spirit of confidence and co-operation that has been and is now established between managements and men on both large railways, freight rates would now be higher or deficits greater.

It is worthy of mention that railway wages are affected by and fluctuate with the cost of living. They never have been fixed as a result of the rise or fall in railway rates. If the agricultural interests would now propose an increase in rates on grain because the price of wheat is thirty cents per bushel in advance of last year, then there might be some justification for holding that wages should similarly fluctuate. The object sought by the Committee of ascertaining the facts is wholly commendable and the spirit in which the members seem to approach the task laudable in the extreme. Both management and men are bending every energy to increase traffic and give service, thus reducing operating costs and rendering rate reductions possible. May it not be thought presumptuous for me to suggest that, instead of spending time and energy discussing whether the public should pay the necessary tolls to enable the railways to live or the employees pay the piper through reduced wages, attention to the larger questions of creating traffic to make existing lines pay and stopping foolish capital expenditure on unprofitable extensions would be more useful. Would not the formulation and support of policies calculated to increase population, stimulate industry and double traffic on existing lines be the better method of approach and best serve the object the Committee has in view?

Statement by C. F. Needham, Assistant to General Manager, Canadian National Railways, Toronto, November 26th, 1924.

In endeavouring to reach a decision as to whether or not wages paid railway employees are higher than they should be, we must necessarily give great weight to comparisons both in respect to wages paid in other industries and wages paid the same class of employees during some previous period. The following figures are reported in the Canadian Annual Review, year 1923 (page 262), and illustrate the increases to employees on steam railways as compared with other general classes of employees during the ten years from 1913 to 1923:—

Class	Increase
Building trades wages.....	66.4%
Metal " ".....	74.0%
Printing " ".....	88.9%
Electric railways ".....	86.2%
Steam railways ".....	57.4%
Coal mining, ".....	97.8%
Common factory labour.....	81.7%
Miscellaneous factory trades.....	96.1%
Lumbering.....	70.4%

It will be noted that these figures indicate that the increase in wages of employees on steam railways is lower than the increase in wages of any other general class of employees mentioned during the ten years period.

The index numbers of wholesale prices compiled by the Dominion Bureau of Statistics and weighted according to commercial importance of 238 commodities which it includes show a rise of 53.0 per cent. comparing the year 1923 with 1913. This increase of 53.0 per cent. in wholesale prices of commodities closely approximates the increase of 57.4 per cent. in the wages of steam railway employees during the same ten years period, but is considerably exceeded by the increases in wages of all the other classes of employees mentioned.

During the ten years period the working hours per day of railway employees have been decreased and the eight-hour day is generally in effect. Previously where continuous operations were necessary, as, for instance, in the main yards, roundhouses and telegraph stations along the line, the twenty-four hours of the day were covered by two assignments of twelve hours each (or eleven hours and thirteen hours), whereas now there are three assignments of eight hours each. In cases where the services of the employees are intermittent, such as at certain stations along the line or on certain runs in train service, the employees are paid for eight hours with a spread of ten or twelve hours, i.e., they may have broken periods of service and any time off duty between such working periods, provided the break is in excess of one hour, is not paid for.

In any criticism of the wages paid to steam railway employees those engaged in train service usually receive special mention as being in receipt of excessive wages. The employees in this class of service are generally paid on a time-mileage basis, that is to say, they are paid on the basis of a standard day consisting of a given number of hours or a given number of miles, but the given number of miles may be actually run in less than the given number of hours constituting the standard day; of course, miles made or hours worked on a trip

in excess of the standard day call for additional payment. The standard day and rates of pay generally in effect for this class of employees are:—

Class	Rate per mile cents	Hours and miles per standard day		Earnings per standard day
Passenger conductors.....	4.27	7½	150	\$6 40
Baggagemen.....	3.04	7½	150	4 56
Passenger brakemen.....	2.93	7½	150	4 40
Through freight conductors.....	5.80	8	100	5 80
“ “ brakemen.....	4.48	8	100	4 48
Wayfreight conductors.....	6.32	8	100	6 32
“ “ brakemen.....	4.88	8	100	4 88
Passenger engineers.....	6.08	5	100	6 08
“ firemen.....	4.64	5	100	4 64
Through freight engineers.....	6.64	8	100	6 64
“ “ firemen.....	4.88	8	100	4 88
Wayfreight engineers.....	7.16	8	100	7 16
“ firemen.....	5.28	8	100	5 28

In the case of engineers and firemen the rates are graded according to the capacity of the locomotives, and the rates quoted are those for the average capacity locomotive.

The employees in train service (except those assigned to regular runs) are subject to call at all hours. They are paid only for the service actually performed and take the work in turn, with the result that there are portions of the month in a great many cases during which the men perform no service and earn no wages, although they are at home and subject to call. Again, these employees bear out of their own wages their living expenses while away from their home. The assignment of service is according to seniority and, of course, the senior men naturally choose the most favourable runs. Runs in passenger service are usually considered the most preferable, and hardly without exception the men assigned to such runs are those who have been in the service for a great many years. The employees in this class of service, of course, assume great responsibility, and it is only reasonable that their rates of pay should be somewhat commensurate therewith.

The railway managements are alive to the importance of making adjustments in the wages of their employees from time to time as conditions warrant. The wages of practically all railway employees have been reduced since the year 1920, and as indicated by the “Canadian Annual Review,” year 1923 (page 262) the decreases in the wages of steam railway employees have amounted to approximately fifteen per cent., that is comparing the wages for the years 1923 and 1920.

Portions of the Canadian owned railways are located in the United States and considerable international traffic is handled, that is, considerable traffic moves over railways in the United States as well as over railways in Canada between the points of origination and destination and in many cases the trains are operated on international runs. Consequently the adjustments in wages of railway employees in Canada have to a considerable extent been influenced by the adjustments made in the wages of similar classes of employees on railways in the United States, and in making such adjustments it has been the practice to take into account:—

- (1) The scale of wages paid for similar kinds of work in other industries.
- (2) The relation between wages and the cost of living,
- (3) The hazards of the employment,

- (4) The training and skill required,
- (5) The degree of responsibility,
- (6) The character and regularity of the employment,
- (7) Inequalities in wages or treatment resulting from previous adjustments, or other relative circumstances.

On the whole, employees on the railways in Canada are paid a somewhat lower scale of wages than apply to similar classes of employees on the United States railways.

It therefore seems possible to reach only the one general conclusion, namely, that excessively high wages are not being paid to employees on the steam railways in Canada and that the managements of the Canadian railways have consistently taken action to insure that the wages of their employees did not exceed wages that might be considered fair and reasonable for the nature of the service performed.

Statement by the Department of Labour, Ottawa.

Average Earnings per hour of certain classes of Railway Employees
(compiled from annual reports of the Dominion Bureau of Statistics).

	1917	1918	1919	1920	1921	1922	1923
	c.	c.	c.	c.	c.	c.	c.
Conductors, passenger.....	58.9	55.2	79.8	95.3	98.8	92.2	93.4
“ freight.....	48.3	56.0	67.8	88.7	88.3	82.9	83.2
Brakemen and flagmen, passenger.....	37.2	36.6	55.6	69.0	70.3	64.7	65.5
“ freight.....	32.4	33.8	53.7	69.4	69.6	68.0	64.9
Baggagemen, train.....	37.5	35.9	56.0	71.9	71.8	66.6	66.9
Engineers and motormen, passenger.....	68.8	83.8	101.7	124.2	128.9	125.1	126.2
“ freight.....	53.8	66.0	79.8	102.8	101.4	98.1	98.6
Firemen and helpers, passenger.....	41.3	55.9	76.7	96.1	98.1	94.3	94.1
“ freight.....	36.4	43.7	60.7	78.2	77.0	72.9	73.4
Telegraphers, railway.....	30.8	38.2	60.8	67.0	74.7	69.2	68.3
Section foremen.....	27.9	31.4	63.5	61.3	61.7	55.4	55.9
Section men.....	20.6	23.7	36.6	45.9	42.6	36.3	36.4
Boilermakers.....	39.4	45.5	60.0	82.1	85.4	78.3	73.5
Blacksmiths.....	25.0	42.3	68.0	81.0	84.3	77.0	73.2
Machinists.....	42.2	46.7	68.5	81.1	84.0	78.0	73.0
Carpenters.....	30.4	36.8	58.1	74.0	75.2	67.9	65.1
Painters and upholsterers.....	29.6	36.2	59.7	74.8	77.7	70.1	67.3
Car repairers.....	26.3	32.1	54.2	72.5	74.5	67.4	64.0

The increases in average earnings per hour are due partly to the adoption of the eight-hour day in 1918, and later one and one-half times the regular rates for overtime work, and partly to other changes in working conditions. Most of such changes in overtime and other rules were made with a view to lessening excessively long hours in the railway service.

*Statement by the Ontario Division of the Canadian Manufacturers' Association,
August 27th, 1924.*

The subject under investigation is one in which manufacturers are very deeply concerned because the prosperity of our shareholders and employees, indeed of all urban dwellers, depends upon the prosperity of those with whom we trade.

We very freely admit that there are many who are more competent to tender advice on agricultural subjects than those whose attention is constantly engaged in the problems relating to the production of manufactured goods. Anything, therefore, contained in this statement is submitted with due deference to those who have given particular study to agricultural problems and from whom your Committee will receive many practical and constructive suggestions.

The association is impressed with the great necessity for a real spirit of co-operation amongst all producers. We have met with representatives of other interests on numerous occasions and have been able to reach, through reasonable compromise, constructive conclusions. The association desires to join in any conferences which may have as their object the improvement of agricultural and industrial conditions in Canada.

It may not be out of place to say that the Canadian Manufacturers' Association for many years, going back to the days when the Railway Commission was first appointed, has maintained a transportation department as one of many other activities. The organization of this department was the first movement in Canada to consolidate in a practical way the views of the shippers. It has been represented before the Railway Board on every traffic case since its organization. While it has not necessarily opposed increases in rates demanded by the carriers, it has insisted that all increases and changes in rates be justified, and we have reason to believe that the work of this department has been of distinct advantage to all the people of Canada.

A short time ago, Mr. Amos, the President of the United Farmers of Ontario, and Mr. Ward, Secretary of the Canadian Council of Agriculture, spent several hours in consultation with this department in respect to matters arising out of the Express Rates Case. In the hearing before the Board on March 19th last, Mr. Ward made the following statement:—"I want to express the very cordial thanks of the organized farmers of Canada to the Canadian Manufacturers' Association . . . for the great service they are rendering to the people of this country in bringing out the true facts in this case."

This is mentioned as one of the many cases in which there has been practical co-operation.

Having regard to the contribution of the Canadian Manufacturers' Association to this conference, we wish to direct the attention of this Committee to a paragraph in the memorandum which accompanied the invitation to come here, namely, "that the farmers are not disappointed and have no complaint to make of lower prices of their products . . . on the contrary the prevailing range of prices is considered high enough. The farmers' difficulty is encountered when he enters the market to buy." The interpretation that we must place upon this is that the opinion is held by the farmer that he is unable to get sufficient of the goods produced by others in exchange for the goods he produces, or, in other words, that the prices of manufactured goods are out of line with the prices of agricultural products. In reaching this conclusion he no doubt contrasts conditions which obtain to-day with those which obtained in 1913.

The Dominion Bureau of Statistics has recently issued a comprehensive survey of prices and price indices, 1913-1923. It will be observed on page

35 of that publication that the prices of farm products and manufactured articles have followed somewhat similar curves since 1913 except that in the downward tendency the latter receded to an index number approximating 158 as compared with 128 for farm products, a spread of about thirty points. While manufactured goods show a price increase of fifty-eight points over 1913 prices, the labour cost on the average of all employments shows an increase of seventy-eight points. As the wage cost is about twenty per cent. of the value of manufactured goods which pass through the processes in our manufacturing plants, about fifteen points (twenty per cent. of seventy-eight) of the increased price of manufactured goods is accounted for.

Having regard to the remainder of the spread, it should be borne in mind that during the past few years we have had a great deal of legislation, some of which might be described as social legislation, some of it having more or less bearing upon industrial activities. We do not desire at this time to criticize this class of legislation. Some of it is no doubt capable of improvement, some of it may be of service to the community, but practically all of it adds to the cost of doing business, either through direct assessments or taxation. Prior to 1914 the cost of industrial accidents was borne to a large extent by the general public. These costs, since the Workmen's Compensation Act has been in force, are absorbed in the price of manufactured goods, and during 1923 the sum of those costs amounted to \$6,173,861. The Minimum Wage for Women Act applies to the wage costs of practically all manufactured goods. The Factory Act and its regulations requires a high standard of manufacturing and sanitary equipment, all of which bears upon costs of production. The inspections under the Steam Boiler Act have to be paid for. The Food and Drugs Act requires a high standard of food and drug production. The public demand for food in sealed packages adds to the cost of these goods.

Added to these we have numerous forms of taxation. The Sales Tax has been a direct burden of six per cent. upon manufactured goods, and in 1923 the goods sold in this Province contributed \$32,000,000 to the public revenue. This tax has subsequently been reduced to five per cent. Taxes by way of licenses, matches, automobiles, confectionery, playing cards, cheques, together with excise taxes and sales taxes collected by the customs accounted for \$20,000,000 more. A further \$31,000,000 was contributed by this Province in Federal income taxes. Municipal taxation in Ontario bears heavily upon industrial production. Under the business assessment and municipal income tax greater contributions to the public revenue are exacted in this Province than in other provinces where there is no municipal income tax and the business tax is imposed on a much lower scale.

A manufacturing corporation located in the city of Toronto pays, under Federal legislation, corporation income tax, sales tax, excise taxes on telegrams, cablegrams, railway tickets, cheques, etc.; under provincial legislation, workmen's compensation assessments, licenses, inspection fees, incorporation or registration fees; under provincial legislation to the municipality, property taxes, business taxes, and its shareholders who are resident in the Province are taxed on industrial dividends.

We do not come here solely as representing capital, but rather as representing that factor in industry which may be described as management. We are in the

position of hiring capital from shareholders or investors and of being extensive borrowers from banks. Capital demands a fair return and the cost of financing with financial institutions is in general terms higher than in pre-war days. On the other hand, management is engaged in employing and directing the operations of labour and our workers in industry are entitled to receive a wage commensurate with the high standard of living which obtains in this Province.

All of the imposts that we have referred to must necessarily be borne in the cost of producing goods and absorbed in the price which consumers pay. We are not able to make them up by reducing wages nor can we shift them to the capital in the business because under such circumstances workers would not remain in our employ and capital would very soon be withdrawn from our business.

The increased cost of transportation of materials both inwards and outwards is a matter of very great importance to consumers. It is equally as important to farmers that they should give consideration to freight rates on the goods they buy as they do to the goods they ship. Agricultural interests have succeeded in getting substantial reductions in freight rates on some of the commodities they ship. For instance, the reinstatement of the Crow's Nest Pass rates on grain in the western provinces brings these rates back to practically the pre-war level. Rates on live stock have been reduced to within thirty-three per cent. of the pre-war level. The carriers state that the loss in revenue to them by these reductions has prevented reductions in rates on other commodities. We might take as an example fifth class rates, which cover groceries and hardware largely, a considerable portion of the merchandise which moves from manufacturers through the usual channels to consumers. These rates are about eighty-five per cent. higher than pre-war rates. While, by comparison with other rates, there is reasonable ground for reduction in these rates, the necessity of the carrier's revenue has been pleaded as the principal reason for their continuance.

Another important point is the increased cost of cartage on freight shipments. Up to about 1907 the carriers absorbed the cartage cost in the larger municipalities on all inward and outward freight. The cartage companies handling the business for the railways charged a rate of half a cent per 100 pounds. The costs involved in this service gradually increased. It became necessary for the cartage companies to get one cent per 100 pounds, and the railways ceased to absorb it. By successive steps these charges have increased until they are now five cents to seven cents per 100 pounds, the higher figure applying in the larger centres.

It will thus be observed that there are many and varied factors which bear directly upon the production and distribution of manufactured goods. The burden accumulates as materials pass from the raw to the further manufactured stage. The farmers' products in their outward movement being raw materials, bear the least proportion of these imposts. If he gains by low rates on his outward movement, it is to a considerable extent offset by the imposts to which we have referred and which must be absorbed in the price and paid by the consumer.

We do not wish your Committee to infer that we are attempting to argue that industrial management is perfect. Industrial management, if it could,

would keep the factories in operation twenty-four hours a day, year in and year out, if society would consume their products. Our loss in efficiency is proportionate to our failure to keep our factories in continuous operation. We think, however, that it can be claimed that manufacturing processes, as a result of intense competition, are compelled to adapt themselves to the most modern methods of production. This is further accentuated by the encouragement given to foreign manufacturers in countries where wage standards are lower, or where large scale production is possible, to invade this market, because of our inadequate customs tariff. It may be interesting to this Committee, having regard to the question of efficiency in manufacturing and distribution, to consider the experience of two classes of industry with which the farmer is closely associated, the packing and dairy industries. There are twenty-seven packing industries in Ontario and 1,056 dairy industries, the former highly developed and concentrated, the latter to a very large extent local and co-operative or owned by the farmers themselves. In 1920 the cost of materials in the dairy industry, or in other words the return to the producer, was seventy-three per cent. of the ultimate value of the product, in 1921 it was seventy per cent., in 1922 it was sixty-seven per cent., that is to say, the farmer appears to be getting a less proportion each year of the amount the consumer pays after these products have gone through the manufacturing processes. In the packing industry the reverse is the case. In 1920, the cost of materials was seventy per cent. of the ultimate value of the product, in 1921 it was seventy-four per cent., and in 1922 it was eighty-three per cent.

We have taken it upon ourselves to contribute this much to your records as an explanation in part of the spread between prices of agricultural and industrial products. As long as we are carrying our huge national, provincial and municipal obligations and until the cost of government is reduced, there is little hope of reducing this spread to a basis comparable with pre-war days, except, possibly, by the refinement of manufacturing processes which come to us more or less gradually through the application of science and invention. We submit, therefore, that the farmer must adapt himself to these changed conditions.

It has been said on behalf of your Committee that "the farm is not producing an average return except in special lines which a large number have been quick to enter." This same thing may be said in a relative sense with respect to industry. Those who have husbanded their resources in prosperous times and who have been quick to adapt themselves to changed conditions have survived, while others have fallen by the wayside.

Thus far we have been dealing with reasons for certain conditions but we have not failed to recognize that your Committee is more concerned with remedies.

We do not need to point out to this Committee that the Canadian Manufacturers' Association is interested in the maintenance of protection in the national interest for economic reasons. We believe that the farmer in this Province needs protection and we consider it unfortunate that the subject, essentially an economic one, has become so clouded with political considerations. We are dealing with agricultural and industrial conditions in the Province of Ontario, but what is good for Ontario is good for the whole of Canada. The Canadian farmer, and more especially the farmer in this Province, depends

very largely on the home market. A comparatively small portion of his produce is exported. For instance, in 1923, approximately nine per cent. of the live cattle sold off farms in Canada were exported, about three and a half per cent. of the dressed beef, about eight per cent. of the dressed pork, one-half of one per cent. of the mutton and lamb, five per cent. of the butter, about one per cent. of the eggs (we import more than twice the quantity of eggs we export), less than five per cent. of the poultry. Ontario field crops are largely consumed in this Province and we consider it as particularly distressing to learn from a statement made by the Honourable the Minister of Agriculture for this Province a few days ago that between the 1st of January and the 1st of July of this year 3,952 cars of fruit and vegetables have been imported. We do not import 6,000,000 dozen eggs when the price is low. They come in when our market should be most profitable to the farmer. When we bring in fresh vegetables we deprive the market gardener of his most profitable market. We satisfy our appetites with early fruits and when our own berries come on the market the grower scarcely gets sufficient to pay for the packing. It is easy for one who is not a farmer to realize that there is little left to the grower of strawberries after he has paid for his boxes and crates and the packing, when he sells them for four cents a box. The farmer certainly is not getting any advantage in the United States market.

Industry at the same time is seriously affected by imports of manufactured goods produced in countries where labour costs are low, currency depreciated, or where highly specialized production methods have been developed through wide distribution. Many of our factories, through recent reductions in the tariff, have been compelled to shut down, or their operations have been restricted. Consumers of farm products have been thrown out of employment and the farmers' market has suffered in consequence. Our manufacturing capacity is not over developed. With sufficient protection to provide for distribution of both farm and factory products within our home market our manufacturing capacity could be further extended, we could employ more people, require the production of more food and give better service to the consuming public.

The question may be asked, why should the fiscal policy of this country, a Federal matter, be introduced before a Provincial Committee? The answer is that your Committee is endeavouring to find the truth. The result of your investigations will be the subject of public record. The public mind is unfortunately confused in respect to our fiscal policy. It is essential that the truth should be known and properly understood. The conclusions which your Committee may reach will have considerable educational value, and we respectfully submit that it is proper to place before the people of Ontario the disadvantages we are under as the result of large importations of foreign grown food products and manufactured articles.

We are impressed with what is so frequently said on behalf of agricultural interests in respect to the marketing of farm products. Large quantities of perishable products are thrust upon the market under circumstances which involve waste or material loss to the producer. The various governments, Federal and Provincial, have done a great deal to mitigate these evils. We would express the opinion that this educational work should be continued and extended, that producers should be encouraged to co-operate in their own interest in the marketing of their products on sound business lines, absolutely free,

however, from governmental or political influence. We think there is greater need amongst farmers to co-operate in marketing rather than that they should set up agencies for the purpose of buying because the latter only add to the large number of agencies which already exist for that purpose.

Large sums have been spent on the construction of good roads. It is common knowledge amongst those who have had the subject under observation that there has been a great improvement in the appearance of farm properties abutting on these roads, more or less coincident with their construction, all of which would indicate that those fortunately situated have derived some profit from these expenditures. We believe this work should be continued, not so much with the idea of creating trunk line speedways, but more with regard to building lateral roads of reasonable width and economic construction so as to extend the advantage to those who do not happen to be located on our main highways and thus provide a better outlet for farm product.

Statement by J. J. Morrison, August 27th, 1924.

The Committee I have the honour to address was appointed by the Provincial Government to consider the difficulties of the Ontario farmer. The problem is not simply a political one, it is not simply an agricultural one. It must be approached earnestly and courageously as one affecting every interest in the Province. That the Provincial Government recognizes this necessity is evidenced by its action in inviting representatives of finance, industry and commerce to present their views before this Committee.

I would like to make it plain that I do not appear before the Committee in my official capacity as secretary of The United Farmers of Ontario, but as an independent private citizen I welcome the opportunity of contributing, in a spirit of co-operation and goodwill, my own personal sentiments in regard to the urgency of existing conditions.

Ontario, Canada's premier Province, is still in the making. Its potential agricultural productiveness is but vaguely grasped. Our products are equal to those of any country in the world and our sons and daughters have no superiors. They capably fill any sphere in life. Yet Ontario has its rural problem. The great opportunities offered in other fields of endeavour have taken from our agricultural citizenship much of the energy and ability that have built up the great cities and their commercial interests. Some method must now be developed to conserve this energy and ability in association with agriculture so that our greatest industry may keep pace with the development of other interests.

The trouble with agriculture is that it does not provide sufficient remuneration. To offset these conditions in the industry we have resorted to palliatives instead of correctives, a most favoured one being immigration. Immigration appeals to transportation interests wanting fares, to business interests wanting more consumers, and to farmers wanting help. This policy is like pouring water into a leaky vessel. Immigrants are costly and the quality ever becoming more unsatisfactory.

Now that the Government of the day is seized of the great importance of maintaining our basic industry at its full capacity, there should be found a way

whereby farm production will obtain its full share of remuneration. This would be sufficient to attract to, and retain in, agriculture men and women of ambitious inclinations. At present the excessive spread between the price the producer receives and the price the consumer pays is injurious to both. The problem then is of sufficient interest and importance to merit our most careful consideration.

The problem being an economic one, relief must come by improved economic conditions, no matter how distasteful the remedy may be to those who have prospered greatly through extravagant expenditures in creating luxurious conditions and a standard of living beyond the possibility of the nation to sustain. The fact of this Committee sitting here in conference with representatives of financial, commercial and industrial institutions is evidence of the seriousness of conditions.

The question arises, can there be such a readjustment of business conditions that will make the farmer's dollar's worth of production equal to that of the man engaged in urban industry. If this were done, it would satisfy and bring contentment to those engaged in farming. It would relieve the farmer from the necessity of encumbering himself, his dependents and heirs, with a heritage of debt in the form of long term loans, relieve him from bondage to financial interests, restore to him pride in his industry and place him on an equality with those engaged in professional, financial and commercial pursuits. Urban municipalities almost everywhere in Ontario, from the great city to the little incorporated village, are under a load of bonded indebtedness. Rural municipalities have of late followed the larger centres, rushing into like indebtedness. The municipal tax of farmers has increased over four-fold in a few years. If these conditions are not checked, there is but one result—our assets will go to our creditors and our people into financial bondage. Correction of these conditions means financial, commercial and industrial reconstruction. Well, why not? Many conventional ideas since the close of the war have been overturned regardless of whose ox was being gored.

One may be asked, how should we proceed? I say it is the people's problem. Production and distribution are not the problems of agriculture alone. The life of the people and the industries of the nation are interlocked and interdependent. The solidarity of industry cannot be sidestepped by any selfish interests if we are to prosper as a people.

Taxation of the people can be so overloaded that the industries cease to function profitably. This is now the condition with agriculture. Industry is paying excessive interest. We are paying excessive salaries, many times greater than that paid our Prime Minister, and maintaining superb offices and equipment, in many cases, on borrowed capital.

Organized labour, including those employed by public utilities, is demanding shorter hours, higher rates for overtime, pensions, longer daylight for extravagant amusement, all of which lessen production and increase the cost of it at a time when the nation is struggling with the aftermath of war expenditure.

Industrial production is controlled by powerful labour organizations. They are stifling the supply of artisans and qualified operatives, regardless of the birthright of posterity to an equal opportunity to live. Under these conditions

a strong desire is everywhere discerned for government that will protect the interests of the people, especially the maintenance of their franchises and public utilities to furnish satisfactory service. Public franchises and utilities belong to the people. The people provide the revenues and are responsible for the expenditures and should exercise control through their elected representatives in the interests of the owners. It is now the people's struggle for retention of this control against individual, organized or corporate selfish domination.

If the operation of publicly owned utilities is to be exploited in the interests of those who operate, then public ownership becomes visionary and unworkable and the benefits from the expenditure made in acquiring and developing them will be confiscated from the people for the benefit of selfish interests.

Servants of the nation, employed in public utilities, if members of an international organization and subservient to it, place the nation and its government in an impossible position. Should a strike arise, it becomes mutiny by the employed against the employers, who are the people and the nation. The vast sums raised from international organizations and held as funds to finance strikes by the operatives of public utilities in another country create an unfriendly situation between the people of the two countries whose people and government are otherwise friendly, but whose servants in one country are in mutiny and are being aided financially by the servants of the other country, although no dispute may have arisen between the people of the two countries. These conditions are ever becoming more entangling and a remedy is past due. Let me briefly connect this broad consideration of public utilities with the particular problem of the farmer.

The tonnage volume and long haul to market of agricultural products and the farmers' return requirements cause them to regard transportation as one of their most serious problems. Unless government finds a way to control transportation cost and make favourable freight rates, production will falter under this load.

Almost all industry is suffering through excessive overhead cost, forced up by the organized effort of those who live out of the industry. Thus the climbing cost of urban living is steadily heightening the contrast of rural and urban standards.

Organization by farmers to control production would be the last act of the industrial struggle, bringing national disaster, as the military struggle has ruined the nations of Europe. Is not an industrial peace league required?

Desire to control production is an idea foreign to the farmer's nature. His tendency is rather to increase production to the limit.

Conditions render control of production difficult because the farmer may plant and breed, but his yield, to a great extent, is beyond his power to regulate.

Bureaus of information furnish world reports of estimated yield of farm products. The volume of consumption being well known, the demand is easily estimated. Thus price fixing comes within control of the speculator. The farmer does not market—he delivers to the market. Market control of agricultural products is not vested in the producers, but in non-producers whose profits are

drawn from those who produce only. The farmer does not market—he is marketed for. His cost is not considered and prices paid him are regulated by conditions over which he has no control.

When the farmer purchases the products of other industries, he is faced with stable and uniform prices, set under a cost plus profit system by the producer, which embrace all the overhead cost and which are represented in the price paid by the consumer.

Co-operative effort in production and marketing is surely a forward move in the interests of the people, if kept free from the evil tendencies that have penetrated other associations, organizations and unions. Co-operation must not be used to lessen the output, prevent the supply of artisans and skilled operatives or minimize their effort towards full productiveness. If such action is permissible among the operatives of any industry, then it is permissible also to prevent the use of labour-saving machinery.

The normal human inclination is to increase production, improve quality, facilitate marketing and lessen the cost of living.

Co-operative effort, if it is to benefit industrial activity in the interests of the people cannot foster the selfish elements that have permeated organized efforts of other institutions. The selfish exploitation of the many by the few must not be permitted to penetrate co-operative institutions if they are to prove beneficial to the people.

Co-operative marketing of the products of agriculture seeks to remedy the low purchasing value of the farmer's dollar. It is an attempt to bring about a better condition within the industry for the farmer. It will succeed only in such measure as it avoids the evils of exploitation for the personal benefit of a few men at the top, and if successful, must reduce the cost of service and raise the standard of quality.

The farmer, co-operating with nature, should stand in the high places. Sons of the soil who have performed outstanding service to their industry are entitled to larger recognition.

To sum up the main headings under which the Provincial Government can help to improve the conditions of the farmer and his industry:—

1. Economy: Ruthless elimination of every civic and government waste.
2. Public Ownership: Operation of public utilities in the interests of the people as a whole and not simply in the interests of those actually engaged in the operation and administration of public utilities.
3. Co-operation: Encouragement of co-operative marketing in accord with the principles of the best established system that can be suited to our conditions. This may be a matter for some research.

In conclusion, let me express the hope that this Committee may formulate and recommend a policy which will equalize much, if not all, contrasted conditions of remuneration and living as between the urban and rural dweller, a policy which will stop the clamour for more expenditure and the continual demand for a condition of living beyond the power of industry to maintain.

*Statement from The United Farmers' Co-operative Company, Limited,
October 30th, 1924.*

It is generally conceded that the initiative for the development of co-operative practice should come from the people themselves; that co-operation should grow from the bottom up. We believe in this principle and it is our opinion that the Government should in no way attempt to force, control or direct the trend of the co-operative movement within the Province. Government activity in this respect should be limited to providing facilities for securing the fullest and most reliable information regarding co-operative practice, which information should be available for the use of all farmers within the Province.

We strongly object to anything in the nature of a direct subsidy to individual co-operative organizations. We understand that recently the Provincial Government gave a subsidy of \$1,000 to a turnip growers' co-operative association to pay the expenses of sending its representative to the United States to investigate turnip markets. About the same time that this subsidy was paid, our own company, also representing a group of turnip growers, sent its general manager to the United States to investigate turnip markets, naturally at the expense of our own shareholders and patrons. It is manifestly unfair that one group of growers should have its expenses paid by the Government while another group should pay its own expenses. If the Provincial Government feels it necessary to investigate turnip markets or any other markets, then the Government should appoint its own representative and the information gathered should be available for every farmer in the Province, not simply for one particular group. (See note.)

Compared with other provinces Ontario would appear to be very far behind in the facilities provided by the Provincial Government for acquiring information regarding co-operative practice. While we hesitate to recommend the further increase of Government branches at this time, yet we feel that the Department of Agriculture should reorganize its Co-operation and Markets Branch on more efficient lines. The information provided in the report of the Minister of Agriculture under the heading "Co-operation and Markets Branch" is quite inadequate. We recommend the Provincial Government to consider the advisability of appointing a competent official who should combine the duties of Registrar of Co-operative Organizations and Markets Commissioner. The annual report of his department should at least contain a list of all the co-operative organizations within the Province, with officers, statement of capital, business transacted under various headings and amount of profit or loss. The branch should be a clearing house for all information regarding co-operative marketing and agricultural markets generally.

We recommend that the Committee make recommendations to the Provincial Government which should in turn make representations to the Federal Government for the purpose of considering ways and means of developing the world market for Canadian farm produce. Particularly should the recommendations be pressed of the advisability of adopting standard grades with distinctive trade names so as to create a demand by British and foreign consumers for the trade-marked products of Canadian farms.

NOTE—The information gathered regarding U.S. markets for Ontario table turnips is on file in the Department of Agriculture and accessible to all interested.

In view of the importance of developing the export market for Canadian farm products we believe it would be advisable for the Provincial Government to urge upon the Federal Government the advisability of providing cold storage facilities at the most convenient ports of export.

We think it advisable to say just a word about our own company. Organized on the joint stock basis a little over ten years ago, the intention was, and still is, to develop our business in accord with the principles of the best established co-operative practice. Due, unfortunately, to a policy of opening branch stores throughout the rural districts the company made heavy losses during recent years. Faced with the alternative of temporizing with its difficulties or boldly closing down the retail stores, the company chose the latter course. The drop in merchandise values since the close of the war made the company's loss a heavy one, but since this policy was adopted the company has been making steady progress. Our fiscal year ends October 31st and we anticipate bringing in a report which will show a satisfactory profit on the year's operation. The Live Stock Branch and Toronto Creamery Branch, which have always been successful features of the company's business, have continued to make excellent headway. The company having eliminated the speculative elements of its business, it is the purpose of the directorate to make every effort to establish the business more closely in accord with established co-operative practice.

While co-operative marketing has been developed in recent years on the commodity plan of a separate organization for each separate commodity, it is our opinion that a modification of this plan is necessary for a mixed farming area like Ontario. The separate commodity plan of organization works well in districts where farmers specialize on certain crops. It works well with tobacco in Kentucky, with dried fruits on the Pacific Coast, with citrus fruits in California, with cotton in the Southern States, with wheat on the prairies, but it does not quite fit the needs of Ontario except in certain specialized crops such as wool or honey. Our object is to develop our business as closely to the commodity plan as possible, but instead of having an entirely separate organization for each of the more or less closely allied products we handle, we will have a separate department for each commodity, each department in charge of its own expert, each department independent of the other departments, but each co-operating with the others under the control of one board of directors.

While, as we have already pointed out, we object strongly to any suggestion of subsidization of co-operative organizations, we feel that the Provincial Government should, by research and the dissemination of information relative to co-operative practice, help to develop within the minds of the farmers a confidence in the co-operative system and through its reports give moral support and encouragement to those organizations of the farmers own creation which are endeavouring to foster within the farmer a spirit of greater self-reliance in trying to solve his own problems and a determination by his own efforts to find a means of placing his industry on a more profitable basis.

Resolution of The United Farm Women of Ontario.

Whereas the Women's Institutes Branch of the Department of Agriculture is financed by public money, and whereas it is unfair that any one group or

section of the people should have a monopoly of the service of a department financed by all, and whereas the service of the Women's Institutes Department is conditional upon endorsement of or membership in the Women's Institute,

Therefore be it resolved, that we, The United Farm Women, in convention assembled, demand that this department be renamed the Woman's Department, and that its services be made available to all organized women without requiring them to forego their identity or independence.

Report of the Committee on Fish and Game

March 18th.

The members of the Fish and Game Committee of the Ontario Legislature held their first sitting for the 1925 sitting of the House on Wednesday, March 18th, at 10 a.m. The meeting was held in Committee Room No. 2 and the following members were present: Messrs. Armstrong, Belford, Black, Bowman, Bradburn, Bragg, Callan, Clarke (Northumberland), Colliver, Ecclestone, Graves, Gray, Hambly, Harcourt, Hill, Jamieson (Grey), Kennedy (Temiskaming), McCrea, McKnight, Mark, Mewhinney, Morel, Ross, Spence, Taylor, Tellier, Thompson (Lanark), Vaughan, Widdifield, Wigle, Willson (Niagara Falls), Wright.

SELECTION OF CHAIRMAN :

Hon. Dr. Jamieson moved and Mr. Gray seconded, that Mr. Black be chosen chairman of the Committee.—*Carried.*

DISCUSSION ON LOCAL INSPECTORS:

Pending the arrival of Mr. McDonald, Deputy Minister of the Department, the subject of local inspectors was raised by Mr. Belford and was given informal discussion. Mr. Belford wished the opinion of the Committee on a policy of more local inspectors, who should be paid salaries of \$200 or \$250 per year. His own view was that the present system of district inspectors did not make for efficient enforcement of the game laws because of the fact that each official had too great a territory to cover. He cited the case of the inspector in the Belleville district, whose jurisdiction extended from Napanee to Port Hope and from the lake front a considerable distance back into the interior.

Some minutes later, following Mr. McDonald's arrival, Mr. Belford asked the Deputy Minister if the system of district inspectors was more efficient and more costly than the one of local officials. Mr. McDonald stated that it was more costly, but that the results from it were much more efficient.

ADDRESS FROM THE MINISTER:

Hon. Mr. McCrea, Minister of Fish and Game, visited the Committee and welcomed it to its duties, explaining that his Department was anxious to secure its judgment upon many of the problems with which it was faced. He promised the Committee his own assistance and simply asked that its work be done with as great expedition as possible because of the Prime Minister's desire to close the session by Easter.

DEPUTATION FROM THE FUR MERCHANTS' ASSOCIATION OF ONTARIO:

As spokesman for this deputation, Mr. Philip Yaffe supported the following propositions for which the Association asked:—

- (1) Arrange better facilities for permits and affidavits.

(2) \$5 license to be issued to manufacturers buying from wholesale license holders solely.

(3) \$1 license to be entirely eliminated.

(4) Raise to \$500 or more or entirely eliminate the non-resident travelling fur buyer.

(5) \$100 wholesale license to remain same as last season.

(6) \$5 non-resident license to remain as last season.

(7) \$25 store license to be given to dealers only.

(8) Travelling fur buyers' license to be reduced from \$100 to \$75.

With reference to these points Mr. Yaffe stated the inconveniences to the fur trade of having to come to the Parliament Buildings for permits and affidavits. His suggestion was that some official might be appointed for that work and might go downtown perhaps twice a day calling upon the firms who had notified him that they would need him. There should at any rate, he considered, be a downtown depot.

After stating that the \$1 license privilege was greatly abused, Mr. Yaffe went on to discuss the recommended elimination of the non-resident travelling fur buyer. His argument was that this buyer handled 95 per cent. of the illegal furs sold in the Province and that he was an influence against which local fur dealers who paid licenses should be protected.

Chairman Black inquired if the elimination of the non-resident travelling buyer might not be detrimental to the trapper, tending to create a monopoly for the local buyers. Mr. Yaffe stated not, believing the non-resident to buy very little from the trapper. Mr. Black pointed out in reply that he knew of one non-resident buyer in his own district who had purchased over \$10,000 worth of furs from trappers during the year. Mr. Yaffe stated that any combine amongst Ontario fur buyers generally to depress prices to the trapper was impossible.

The recommendations of the Fur Dealers' Association were promised the consideration of the Committee by Chairman Black.

CONSIDERATION OF RECOMMENDATIONS:

Hides, Decoys.

W. J. Bell, Esq., Toronto.—Recommended prohibiting hides altogether.

A. W. White, Esq., London.—Recommended decoys be left out over night.

E. A. Mooney, Esq., Vankleek Hill.—Recommended prohibiting fixed hides.

Upon motion of Mr. Bowman, seconded by Mr. Bradburn, the Committee resolved that no action should be taken on these recommendations.

One Day.

Essex Wild Life Conservation Association of Walkerville.—Recommended that the killing, molesting, shooting, or taking in any manner whatever of migratory wild fowl between the hours of 5 p.m. and 7 a.m. Eastern Standard Time be prohibited in Western Ontario.

Upon motion of Mr. Willson, seconded by Mr. Armstrong, the Committee resolved that no action should be taken on this recommendation.

Bag Limit.

M. U. Bates, Esq., Metagama.—Recommended a reduction of 50 per cent. in bag limit.

Upon motion of Mr. Tellier, seconded by Mr. McKnight, the Committee resolved that no action should be taken on this recommendation.

Fox.

Petition from nine residents in the vicinity of Ayton.—Recommended open season for fox not before the 15th day of November and not after February 15th.

G. B. Smith, Esq., Ayton.—Recommended a closed season after February 15th.

J. H. Wolfe, Esq., Clifford.—Recommended a closed season on fox as protection.

Upon motion of Mr. Wright, seconded by Mr. Bowman, the Committee moved that no action be taken on these recommendations.

R. H. Hewitt, Esq., Port Hope.—Recommended that digging out of young foxes be discontinued.

M. McMartin, Esq., South Indian.—Recommended protection of foxes prohibiting digging out of dens, etc.

Petition from nine residents in the vicinity of Ayton.—Recommended protection of foxes and molesting of their dens or digging young foxes be prohibited.

Upon the motion of Dr. Jamieson, seconded by Mr. Taylor, the Committee moved that no action should be taken on these recommendations.

G. B. Smith, Esq., Ayton.—Recommended protection of foxes and the digging of young foxes and the molesting of their dens be prohibited.

J. H. Wolfe, Esq., Clifford.—Recommended protection, and that foxes be taken only by gun and hound.

Petition from twenty-five residents in vicinity of Dundalk.—Recommended protection of red foxes.

These recommendations were covered in the previous motion of Dr. Jamieson and Mr. Taylor for no action.

Setting of Snares.

E. Windover, Esq., Minden.—Recommended snaring of foxes be prohibited.

Petition of residents of South Sherbrooke.—Recommended snaring of fox by use of brass wire snares or other material be prohibited.

Austin Gunn, Esq., Norland.—Recommended prohibiting the snaring of fox and rabbits in Victoria County.

These recommendations were discussed by the Committee, Chairman Black expressing the view that the placing of snares was one of the greatest evils in the older part of Ontario, because of the extent to which domestic animals were caught in them. Therefore:

Upon motion of Mr. Spence, seconded by Mr. McKnight, the Committee recommended that the setting of snares be prohibited in that part of the country south and east of the Mattawa and French Rivers.

Fur-Bearing Animal Season.

W. Edwin Troop, Jordan Station.—Recommended a shorter open season on fur bearing animals and season for land fur from November 1st to January 1st.

The Committee agreed that no action should be taken upon this recommendation.

Petition of nine residents in the vicinity of Ayton.—Recommended separate fee of at least \$5 for hunting or killing of foxes.

The Ontario Hunters' Game and Fish Protective Ass'n.—Recommended one license to cover both deer and partridge.

G. B. Smith, Esq., Ayton.—Recommended a separate fox license for the hunter at \$5.

J. H. Wolfe, Esq., Clifford.—Recommended a separate fox license for the hunter at \$2.

Petition from twenty-five residents in the vicinity of Dundalk.—Recommended a separate license fee from trappers' license at a fee of \$5 for hunting of foxes and that every fox skin sold be tagged by name of hunter and his license number.

Upon motion of Mr. Wright, seconded by Mr. Spence, the Committee moved that no action be taken on these recommendations.

Leases.

Petition from sixty-seven trappers of Frontenac County.—Recommended all persons holding license to trap muskrats shall be free to trap in all or any waters or on all grounds the property rights of which are vested in the Province of Ontario.

The recommendation was discussed by the Committee and Mr. Colliver expressed the view that, while wholesale trapping leases should not be given by the Province, yet a farmer should have the opportunity of securing the marsh land fronting his farm for purposes of breeding and preservation. Deputy Minister McDonald stated that the Department took the view that no leases should be handed over to private interests. The Department, he said, was glad at all times to co-operate in conservation schemes, but strongly believed that areas which were known to be breeding and feeding grounds should remain under departmental control.

Upon motion of Mr. Armstrong, seconded by Mr. Tellier, the Committee moved that no action should be taken upon the recommendation.

Trappers' Licenses.

E. Windover, Esq., Minden.—Recommended every trapper including farmer should have license at fee of \$5 instead of \$10. He also recommended \$10 license for parties to snare foxes on their own land.

G. B. Smith, Esq., Ayton.—Recommended \$10 license fee for trappers.

J. H. Wolfe, Esq., Clifford.—Recommended fox be prohibited under the regular trappers' license.

Upon motion of Mr. Colliver, seconded by Mr. Spence, the Committee moved that no action should be taken on these recommendations.

Closed Season, Muskrats.

R. G. Chamber, Esq., Fenwick.—Recommended a closed season on muskrats March 15th to April 1st, 1925, in Pelham Township, County of Welland, and in County of Lincoln.

Upon motion of Mr. Tellier, seconded by Mr. Armstrong, the Committee moved that no action be taken on this recommendation.

Poison.

R. F. Gehrke, Esq., Commanda.—Recommended prohibiting use of poisoned baits.

The Committee agreed that no action should be taken on this recommendation.

Rabbits.

Austin Gunn, Esq., Norland.—Recommended prohibiting persons to snare rabbits and fox in Victoria County.

The Committee agreed that no action should be taken on this recommendation.

Raccoon.

Thomas Guest, Esq., Ilderton.—Recommended prohibiting destruction of trees that are the homes of raccoon.

The Committee agreed that no action should be taken on this recommendation.

Skunk.

Amos Chapman, Esq., Kelvin.—Recommended protection of skunk.

M. McMartin, Esq., South Indian.—Recommended protection, prohibiting the digging out of dens, etc.

The Committee agreed that no action should be taken upon this recommendation.

Trapping.

S. A. Grover, Esq., West Fort William.—Recommended trapping laws be effective from December 1st until end of February.

B. T. Furey, Esq., Port Sydney.—Recommended tags as identification on traps same as system used for automobiles.

The Committee agreed that no action should be taken on these recommendations.

Wolves.

W. H. Nugent, Esq., Belleville.—Recommended increase of wolf bounty to original amount of \$40.

The Committee agreed that no action should be taken on this recommendation.

Port Hope Fish and Game Protective Association.—Recommended appointment of special officers for the destruction of wolves.

Upon motion of Mr. Bradburn, seconded by Mr. Armstrong, the Committee moved that this matter be left with the Department.

Peterboro Fish and Game Protective Association.—Recommended that Department increase the bounty on wolves.

Discussion was given this recommendation and Deputy Minister McDonald stressed the difficulty of distinguishing between a brush and a timber wolf pelt. Therefore:

Upon motion of Mr. Bradburn, seconded by Mr. Callan, the Committee moved that the bounty on brush wolves be increased to the same amount as is paid for timber wolves.

Fishing from Motor Boat.

Perry Alexander, Esq., Oak Orchard, P.O.—Recommended prohibiting the fishing for all game fish from any power driven boat.

Morris Ackerman, Esq., Cleveland, Ohio.—Recommended prohibiting trolling for maskinonge with motor boat.

Upon the motion of Mr. Wright, seconded by Mr. Armstrong, the Committee moved that no action should be taken on this recommendation.

Net Fishing.

Leslie R. Dwyer, Esq., St. Catharines.—Recommended that there be a license valid all year.

Gordon Philip, Esq., London.—Recommended prohibiting all net fishing in rivers and streams of the Province other than rivers and streams which are international or interprovincial from March 1st to June 1st.

Like recommendations were forwarded by the Chamber of Commerce, London, the Town of St. Mary's, Western Ontario Fish and Game Protective Association, Township Council of North Dorchester, Gordon Philip, Esq., Secretary of the Western Ontario Boards of Trade.

Harrison Arrell, Esq., Caledonia.—Recommended seine nets be prohibited in Grand River.

The recommendations were discussed by the members of the Committee, and Upon the motion of Mr. Colliver, seconded by Mr. Tellier, the Committee moved to leave the matter in the hands of the Department.

Maskinonge.

Perry Alexander, Esq., Oak Orchard.—Recommended a minimum size limit on maskinonge.

Morris Ackerman, Esq., Cleveland, Ohio.—Recommended reducing limit of catch on maskinonge.

Upon motion of Mr. Callan, seconded by Mr. Belford, the Committee moved that no action be taken on these recommendations.

The Committee thereupon adjourned, agreeing to meet on Friday morning, March 20th, at 9.30 o'clock.

March 20th.

The Fish and Game Committee of the Ontario Legislature held its second meeting for the 1925 Session on the morning of Friday, March 20th, at 9.30 o'clock, in Committee Room No. 2, the following members being in attendance: Messrs. Armstrong, Belford, Black, Bowman, Bradburn, Callan, Garden, Graves, Gray, Harcourt, Hill, Jamieson (Grey), Keith, Kennedy (Temiskaming), McKeown, McKnight, Mark, Morel, Oak, Ross, Spence, Vaughan, Weichel, Widdifield, Wright, Bragg.

DEPUTATIONS:

Fur Farmers:

Representing fur farming interests of the Province of Ontario, Mr. Pathe, of Peterborough, urged that the Department should give active encouragement to the breeding of muskrat, mink, marten, and fisher. He pointed out the importance of the fur industry to Ontario, stating that the Province's share of the 1923-24 catch had been valued at \$3,781,989. He also quoted the following rise in the prices of fur skins in the last ten years: Mink, \$3.50 to \$9.62; marten, \$8 to \$23.20; fisher, \$15 to \$70.

"It is felt," Mr. Pathe said, "that if the Department would give a little assistance such as is given to fox farmers, the cultivation of these furs could be successfully carried out. The final result would be greater royalties for the Department and more revenue for the people."

Mr. Pathe did not urge that the Government hand over large tracts to outside interests, but he did think that small tracts might be given to individuals for intensive breeding purposes. In from three to five years, he said, the catch of such areas should be increased five-fold. He also suggested that a fur-farming permit, to be secured by those engaged in bona fide fur farming and enabling the Government to secure at any time information as to number of

pens, animals, etc., would be helpful. He further wanted a coupon or other arrangement whereby in the closed season a fur farmer could transact an immediate sale of an animal with a buyer from outside the Province.

Mr. McDonald said that what the Department was up against in such a matter as the last named was this: that fur farmers tried to ship without a permit, with the result that it became difficult to protect the Province's interests. The difficulty lay in distinguishing wild skins thus shipped from those which were bona fide ranch raised. He submitted a number of skins which the Department had seized to the Committee, showing the members how impossible, without softening the ears, it was to tell if the animals were wild or ranch raised.

Gun License:

Mr. Graves (M.P.P., St. Catharines) introduced a deputation from his riding desirous of speaking to the question of a gun license, especially with reference to the Niagara district.

President Huntsberry, of the Jordan Hunt Club, declared that his association and also residents of the Niagara district generally had given considerable study to the question of a gun license and had come to strongly approve it. A license of \$1 per person, he pointed out, would raise a matter of \$75,000 or \$80,000 per year. The privilege of shooting in Ontario, he considered, was abused, in which connection he felt that the farmer especially had a grievance against the conduct of people from towns and cities upon his land. Farmers, he advocated, should have some exemption, such as not being required to have licenses upon their own property. Local issuers should be appointed for the license.

Asked if special conditions in the Niagara district did not particularly require a gun license, Mr. Huntsberry agreed that the pheasants and Hungarian partridge, which were being cultivated there, suffered greatly from the illegal shooting of aliens. When asked, however, if giving the Niagara district power to impose a local gun license would not meet his views, he stated his belief that the law should be general.

Mr. Huntsberry commended the Department for having fixed the two open days of last year for the shooting of English pheasants upon the same days as were fixed in New York State, the result having been that American shooters had not come over to Ontario to deplete this Province's birds.

The representations of Mr. Huntsberry were promised the consideration of the Committee.

Western Ontario Recommendations re Net Fishing, etc.:

J. G. Lethbridge, M.P.P. for West Middlesex, introduced a deputation concerned with the subject of the depletion of the Thames River allegedly by commercial fishing.

Speaking for the deputation, Hon. President Smith, of the Western Ontario Fish and Game Protective Association, stated that licenses for seine net fishing had been cancelled during the time of the Drury Government, but that permits had later been granted in their place. The use of these permits, it was stated, had depleted the river of fish for some 120 miles from its mouth. What was asked from the Committee, therefore, was the prohibition of net fishing of any kind in the waters during the spawning season.

Upon behalf of the eleven holders of permits for seine nets, Chairman Black read a letter which they had forwarded, denying that their operations had

caused the depletion of the river. The permit holders stated that they caught only coarse fish such as was not suitable to any Ontario market, and that they shipped it to the United States for consumption by foreigners in the cities there. The letter stated that no bass had existed in the Thames River for the past twenty years, but that they had been driven out by the carp which had come to infest the stream and by the disturbance of the steamboats which plied up and down. The letter was signed for the permit holders by J. M. Pike.

President Long, of the Western Ontario Fish and Game Association, also spoke to the matter, declaring that nets from 60 to 100 yards long were in use under present conditions. The result was that the fish could not get past and that no bass or pickerel could now be found in the river by the angler desirous of a day's sport. President Long stated that there was a suspicion that the fish shipped from the Thames was not all coarse fish.

Mr. Graves, of the Committee, asked if the crux of the controversy were not the problem of judging upon the divergent claims of the commercial fisher and of the sportsman. He said that the time had passed in Old Ontario when a person could go almost anywhere with rod and line and have a day's sport. Carp, he admitted, were largely blamed for this situation, but, he asked, how was a person to know that the net fishers when they caught carp did not also catch other fish? The question, as he saw it with regard to the streams under discussion, was whether there was to be commercial or sporting fishing in them.

Mr. Vaughan, of the Committee, did not see the matter in this light. He believed that the old streams in the Province had been taken over by carp and that pollution of the streams by industry was another cause of their deterioration from a sportsman's viewpoint.

President Long brought other recommendations from the Western Ontario Association, namely, that on account of placing so many pheasants in the district and on account of so many boys carrying guns, there should be no gun licenses issued between March 1st and September 1st, and that the remainder of the year should be covered by a gun license; also, that permission be given to the Western Ontario Association to take bass from Lake Erie for the purpose of restocking the district lakes and streams; finally, that pike be placed on the game fish list. The Association's preference for Lake Erie bass in place of those supplied by the Department was allegedly because of the small size of the latter. In reply to a question as to what effect natural propagation by the Lake Erie fish would have on the size of the fry, Mr. Long stated that a parent bass would protect its spawning beds until the fish were able to care for themselves.

Deputy Minister McDonald stated in reply to this, that a parent bass would protect its beds for at most fourteen days and that if food were scarce the young fry were not safe for even this period. He referred to a recent request to the Department from the Dominion Biological Department to the effect that Ontario should clear its streams of cannibal fish. To do so, Mr. McDonald pointed out, would be to remove the bass.

Bird Life:

John Hunt, of the Executive Board of the Western Ontario Fish and Game Protective Association, addressed the Committee on the subject of protecting the bird life of the Province. Western Ontario, he said, was just beginning to realize the value of its bird life. He recommended that if a gun license were to be issued it should cover only certain months in the year, so that the birds might be given some protection.

Gordon Philips, secretary of the Western Ontario United Boards of Trade, spoke briefly with reference to the matters which had been raised. With reference to the representations against net fishing, he stated that they had the support of a large section of the community in contrast to the opposition of a few permit holders. He emphasized the value which a tourist traffic induced by well-stocked streams would have, and he argued that an experiment at least should be made of the cancellation of the netting permits.

ONTARIO HUNTERS' DEPUTATION:

The Ontario Hunters' Game and Fish Protective Association brought a deputation before the Committee. The president, Dr. Powell, stated that the Association desired in the main that the laws be left as they stand, and that it would ask to be heard only as the Committee might contemplate making changes. The secretary, J. C. Richardson, thereupon presented to the Committee certain propositions which his Association favoured as follows:

Suggestions Made.

- (1) Licensing of firearms (exempting the farmer upon his own land).
- (2) Creation of more and smaller game sanctuaries.
- (3) Prohibition of sale of all game.
- (4) Increase in the minimum penalties for violations of the Act.
- (5) Open season for deer, moose, and caribou be limited to fifteen days in all parts of the Province.
- (6) Propagation of the Hungarian partridge.

Mr. Richardson pointed out, with reference to his fourth recommendation, that in some cases a license would cost only \$5 and the minimum penalty would be the same, making it of no concern to a person if he were caught in a violation.

The Committee was also briefly addressed by Mr. Devitt, of Novar, who urged that the beaver season be left closed for another year, and who also urged that the closure be extended to the northern part of the Province in the interests of enforcement. Another suggestion from him was that no dogs should be allowed in lumber camps, his opinion being that they were a greater detriment to game interests than guns, as they would run the deer endlessly.

Mr. Keith, of the Committee, who had taken the chair because of the enforced departure of Mr. Black, read to the sportsmen suggestions that had been made to the Committee for changes in the laws. He read first recommendations that had been made for prohibiting hunting with dogs and also for a buck law.

With reference to both matters, Mr. A. Davis, of Newmarket, expressed opposition. The dog, he stated, was an important factor in keeping loss of life amongst huntsmen down to a minimum. He referred to the alarming increase of casualties in states which had prohibited the use of hounds and where the error of mistaking a man for a deer had become frequent. Upon the matter of a buck law, Mr. Davis believed that such would lead only to deception, does or fawns which might be shot being covered up instead of brought out. As matters stood, he pointed out, the buck was the object of the hunt, because only he had the horns which made his head the desired trophy.

Sam Harris, of Toronto, addressed the Committee, averring that those districts which asked for the prohibition of hounds should be given consideration. He also believed that a buck law was a thing which would gradually be reached by the education of the sportsmen.

Change of Seasons:

Suggestions for changing the season for deer and ducks, which had been lodged with the Committee, were read to the hunters, who expressed opposition to any change. Messrs. Wallwin, Pears and Davitt, of the deputation, so expressed themselves, and the other members of the deputation concurred.

Upon behalf of the Eight Prong Hunt Club of Toronto and Hamilton, Dr. Reesor, of Toronto, submitted the following resolution: "Believing that to wound a deer and then to allow the same to escape or to be lost is contrary to the interests of conservation and of sportsmanship, resolved that this Club petition the Government to this effect and beg that such an act be declared an offence, unpunishable against the game laws. That such an act shall satisfy the privilege of the hunter's license. That if he be hunting with a party and had previously killed a deer, this occurrence shall take precedence to such a kill and such deer shall go to fill the count of the rest of the party. That if, in hunting to fill the count of the party, any such occurrence be repeated, it shall satisfy and cancel another license of that party. We believe that such regulation would tend to discourage indiscriminate shooting and wounding of deer.

"H. S. Bragin, President."

Following the receipt of this resolution, the Committee adjourned to meet on the following Wednesday at 10 a.m.

March 25th.

The Fish and Game Committee of the Ontario Legislature held its third meeting for the 1925 session at 9.30 o'clock on the morning of Wednesday, March 25th, in Committee Room No. 2, the following members being in attendance: Messrs. Belford, Black, Bradburn, Callan, Garden, Graves, Gray, Hambly, Haney, Harcourt, Hill, Keith, Kennedy, McKnight, Mark, Ross, Spence, Taylor, Tellier, Vaughan, Widdifield, Wigle, Willson, and Wright.

DEPUTATIONS:

A deputation from East Northumberland was introduced to the Committee by Major Belford, M.P.P. Its requests were stated by Mr. Grant Quick, of Brighton, as follows:—

(1) Opening of the trapping season on March 21st instead of on March 1st, as at present. It was stated that such a change would do away with present law violations caused by trappers going into the country early to be ready for the opening of the season, the temptation to law violation being strong upon them when they would see the animals going about. Cutting open of muskrat houses was also referred to as an abuse which would be corrected.

(2) Placing of a fifteen-inch or one-pound limit on grass pike. The argument was that the Bay of Quinte was becoming depleted of these fish.

(3) Changing of the nine-inch limit on perch to an eight-inch one. The reason given was that perch in the Northumberland district did not reach a size of nine inches. Deputy Minister McDonald stated that they would do if so they were given an opportunity.

(4) Authorization of live bait for use with set hook licenses issued in the Bay of Quinte. Deputy Minister McDonald explained that live bait was authorized for that particular district. He further said that the Department

was desirous of making a careful study of the question of live versus cut bait. The use of the former, he feared, might deplete to a large extent the small fry of the Province, whereas by the use of cut bait one herring could be made do several hooks. General authorization of live bait, he pointed out, would involve licensing every fisherman to use a seine or skip net to catch bait. It was a question which should be given very careful thought.

(5) Changing of the open season for ducks from October 1st to October 15th in that district because of the fact that ducks there were not mature by October 1st.

Support to these propositions was lent by Harry B. Phillips of the Brighton Board of Trade, who urged in addition that the Province create a game sanctuary out of the crown lands in these parts of Murray, Seymour, and Brighton townships which were in the district of East Northumberland. The situation for trappers in this area at present was unsatisfactory, Mr. Phillips said, because persons whose claims were dubious claimed ownership of some of the lands there. The district was a marsh and a natural breeding ground for fur-bearing animals, and the conversion of it into a game preserve by the Department would be a forward step in the interests of the trapping and fur industry of the district. If a preserve were created, a fair open season for it should be arranged. Trappers in this area, who depended upon it for their livelihood, Mr. Phillips stated, brought in a revenue of \$25,000 yearly to the town of Brighton.

The representations were supported by Major Belford, who said that the government, when it had built the Trent Canal, had flooded a great part of the area referred to and had compensated the land-owners, requesting that the lands be not afterwards patented. Notwithstanding, however, some lands had become patented and other lands had persons who claimed ownership of them. In view of the fact that the district was a marsh and a natural breeding ground, the matter was one of foremost importance to the trapping interests of the district and one which merited the careful consideration of the Committee.

Indian Licenses.

W. S. Haney, M.P.P., for West Lambton, brought to the attention of the Committee the feeling of a council of Indian chiefs held last summer south of the city of Sarnia to the effect that no licenses should be required of Indian hunters and trappers operating north of the Transcontinental. Mr. Haney pointed out that hunting and trapping were the only means of subsistence for these Indians. He made particular reference to the district of Patricia.

Deputy Minister McDonald stated in reply that no licenses were required from Indians in the Patricia district.

Hudson's Bay Company.

Upon behalf of the Hudson's Bay Company and with reference to suggestions for a closed season upon beaver in all parts of the Province, Mr. McCarthy, of Toronto, appeared. Such a proposal, he said, was only not necessary in the interests of conservation, but affected also the treaty rights of the Indians, and the rights of the Hudson's Bay Company under its deed of surrender in 1869.

Declaring that the Hudson's Bay Company, since it looked forward to continuity of business, impressed protection of fur-bearing animals upon its employees and upon those with whom it dealt, Mr. McCarthy went on to give the Committee the historical setting pertinent to the proposed closed season for beaver. A treaty with the Indians in 1850 had secured to them their previous hunting rights over territories which they ceded, except such of them as would

fall into the classification of occupied territories. The treaty of surrender by which the Hudson Bay Company returned its lands to the Crown in 1869, furthermore, secured to the company its previous rights in the conduct of its fur trade. Legally, therefore, the Hudson Bay Company took the position that what it had done it could do, although practically it had never assumed that position, but had lent all co-operation possible in the matter of game conservation.

The legal aspect of the situation had become prominent in the time of the Hon. Mr. Cochrane, who in 1911 stated a case to the Appellate Court asking for a ruling upon the rights of the Indians, upon the rights of the Hudson Bay Company, and upon the powers of the Province to legislate. The Chief Justice, Mr. Meredith, had recognized the case as possibly opening up a condition of chaos, and he had advised that the interests concerned effect a settlement amongst themselves. No ruling, therefore, had ever been given by the court, but the Ontario Department, in place of a closed season, had adopted a limit of catch, and a coupon and an identity disc system. This system had been abandoned in 1923.

Mr. McCarthy urged that the situation of 1911 be not again brought about by a closed season proposal. He did not believe that depletion of the beaver was a danger, giving as an explanation of the decline of the catch from 96,000 in 1920 to 64,000 in 1924, the facts that a business depression had intervened, reducing the number of trappers operating, and that the coupon and identity disc system had been dropped, making it easier for pelts to find their way across the border without any return being made to the Department.

In the interests of conservation and in place of an absolute closed season, therefore, he urged the following measures:

(1) That a limit upon catch be restored.

(2) That serious consideration be given to the question of the white trapper. According to Mr. McCarthy's instructions, the white trapper was a menace to game preservation in the north country. He pointed out that the Indians travelled the same routes year after year and that as a matter of self-interest they would see that sufficient game was left to provide for the annual harvest.

(3) That the present closed season south and east of the Mattawa and French Rivers be extended north to the C.P.R.

(4) That the territory between the C.P.R. and the Transcontinental be taken under departmental observation for one year.

Mr. McCarthy also spoke in favour of a previous recommendation to the Committee that the license for the non-resident travelling fur buyer be increased from \$200 to \$500. With Reveillon Freres, the Hudson Bay Company, and scores of local buyers in the field, he said, the elimination of the non-resident travelling buyer would not mean the elimination or reduction of competition.

Mr. Gray gave notice to the Committee that at a subsequent meeting he would move that a sliding scale be fixed for angling licenses, a season's license being obtainable as at present for \$5, but a daily license being obtainable for \$1 per day. He believed that such an arrangement would be of encouragement to the transient tourist traffic in his riding.

Upon motion of Mr. Graves, seconded by Mr. Bradburn, the Committee resolved that a small sub-committee should be named by the Chairman to meet with a committee from the Ontario Hunters' Game and Fish Protective Association.

The committee was named by the Chairman as follows: Messrs. Taylor, Bradburn, Spence, Wright, Harcourt and Black. The time of the meeting with

the Association's committee was fixed at two o'clock on the following Monday afternoon.

Mr. McKnight gave notice to the Committee that he desired to bring before them a deputation from Lake Erie to discuss the ten-mile-limit law there.

The Committee thereupon adjourned until the following Tuesday at ten a.m., it being agreed that such should be the last day for the hearing of any deputations.

March 30th.

Members of the sub-committee of the Committee on Fish and Game of the Ontario Legislature met on the afternoon of Monday, March 30th, at two o'clock in Committee Room No. Two, the following members being in attendance: Messrs. Jamieson (Chairman), Bradburn, Harcourt, Wright, Taylor.

DEPUTATIONS:

Secretary Richardson of the Ontario Hunters' Game and Fish Protective Association addressed the Committee on behalf of his organization, stating that the Association was one provincial wide in its membership, composed of real sportsmen, and deserving of the consideration of the Committee. He further pointed out that its interests were bound up with the conservation and propagation of Ontario game. His suggestions to the sub-committee were as follows:

(1) The licensing of all firearms. In this connection he referred to the suggestion that power to this end might be handed over to the municipalities. Such a scheme, he pointed out, would bring no revenue to the Province.

(2) The creation of more and smaller game preserves.

(3) The prohibition of the sale of all game. Mr. Richardson stated, citing instances to prove his point, that the sale of game was now becoming thoroughly commercialized by the butcher trade and that it was being carried on to such an extent as to work towards the depletion of the Province's game resources. Asked by Dr. Jamieson if he would go so far as to prohibit the sale of rabbits, Mr. Richardson stated that he would not, but that he would certainly recommend that moose and deer be placed upon a banned list.

(4) Increasing the minimum penalties for contraventions of the Act. It was pointed out in this connection that the minimum penalties were usually the ones imposed, and that often they were simply the same as the price of the license, so that no inducement remained for taking out a license since the penalty if caught would be no greater than the license fee itself.

(5) Limit the open season for deer and caribou to fifteen days in all parts of the Province. The five-week open season north of the French River was regarded as too long and to be simply a means by which hunters from south Ontario secured an additional three weeks in pursuit of game. Asked by Dr. Jamieson what season the Association would suggest, Mr. Richardson said that there was a disposition amongst the members of his association to favour from the 1st to the 15th of November, rather than from the 5th to the 20th of November as at present.

(6) Propagation of the Hungarian Partridge.

Upon behalf of the Peterboro Game and Fish Protective Association, Mr. Richardson suggested that the open season for pickerel be fixed the same as for bass in order to check the illegal catching of bass under the guise of fishing

for pickerel. Mr. Bradburn of the Committee suggested that the difficulty might be met instead by prohibiting the fishing for pickerel by a troll until the open season for bass. Any such forward step in meeting the situation, Mr. Richardson said, would be welcomed.

Upon behalf of the Hamilton Fish and Game Protective Association and the Hamilton Angling Club, Mr. Richardson also urged the prohibition of spearing fish in Hamilton Bay.

President Sam Harris, of the Ontario Sportsmen's Game and Fish Protective Association, also addressed the Committee. After supporting the proposal that the sale of game except rabbits be banned, and favouring also an open season for deer from November 1st to 15th, he spoke particularly with reference to the petition of residents of Loring that hunting with dogs be prohibited in their district. In answer to the claim that human life was endangered by the absence of the dog, he quoted figures obtained from John Baird, director of conservation for the State of Michigan, which stated that during the last season there had been three fatal and eight non-fatal deer hunting accidents, that only two of such accidents had been caused by men being mistaken for deer, and that only one of these two latter accidents had proven fatal. Michigan, it was stated, issued 700,000 general hunting licenses and 40,000 deer hunting licenses.

The buck law was also praised by Mr. Baird, his statement being that a kill of 50,000 deer annually previous to its adoption, 55 per cent. of which had been female animals, had been reduced by 50 per cent. "I am thoroughly of the opinion," Mr. Baird's letter stated, "that every year since the buck law has gone into effect we have saved 25,000 or 30,000 does."

Mr. Harris quoted Minnesota, Michigan, Pennsylvania, New York and New Hampshire as states which had a buck law in operation. The Yukon, British Columbia, Alberta, Saskatchewan, Manitoba, Nova Scotia, and the Northwest Territories also had buck laws, while Ontario was said to be the only Province which permitted unrestricted hunting with dogs.

In the matter of the buck law, Mr. Harris believed that it was an unreasonable law to allow the running of young and breeding deer in the breeding season. In the matter of hunting with dogs, he urged that the petition of the Loring residents presented an opportunity to experiment with the matter upon a local scale, in harmony with the wishes of the district to which the law was being applied.

When questioned by Mr. Jamieson, Mr. Harris expressed himself in favour of a gun license upon the local option plan which Mr. Gray had suggested at a previous meeting. Mr. Taylor pointed out to him that a questionnaire to the hunters some years ago had resulted in a substantial vote in favour of dogs. Mr. Harris replied that the north country had voted against the dog, but that the southern part of the Province had overruled the local sentiment. Upon this point Mr. Richardson quoted the figures of the vote in the north as 4,052 in favour of the dog to 3,911 against. Mr. Harris disputed the accuracy of these figures with regard to the north, stating that Rainy River, Thunder Bay, and all northern districts except Parry Sound had voted against the dog.

Dr. Powell, of Toronto, president of the Ontario Hunters' Game and Fish Protective Association approved the prohibition of the sale of game, approved the 1st to the 15th of November as an open season date, and urged more extreme measures against the wolf menace, suggesting that expert hunters be employed by the Department in the districts in which they were needed.

Upon the subject of hunting with dogs, he pointed out that some years ago the statement had been made that if it were to be allowed to continue, there would not be a deer left south of the French River. Time, he said, had proven the inaccuracy of this prediction. Still hunting, furthermore, was impossible for a great part of the season because the leaves rustled and because there was not often any snow in which to track the deer.

With regard to a buck law, Dr. Powell was prepared to accept legislation which should have been carefully studied out, but not that which had been precipitated within the past few weeks as the buck law had. No agitation for a buck law had occurred until very recently and the matter had not received the necessary investigation to entitle it to the consideration of the authorities. Dr. Powell believed that Ontario's game was being reasonably conserved at the present time, and he looked forward to more conservation legislation from the present session, but he wished it to still be possible to enjoy the sport of hunting under reasonable restrictions.

In reply to a question from Dr. Harcourt, Dr. Powell stated that he would be in favour of a law preventing the killing of fawns.

These matters exhausted the presentations of the deputations, and the sub-committee accordingly adjourned.

March 31st.

The fourth meeting of the Fish and Game Committee of the Ontario Legislature was held on the morning of Tuesday, March 31st, in Committee Room No. 2, the following members being in attendance: Messrs. Black, Bowman, Bradburn, Colliver, Gray, Hambly, Harcourt, Hill, Keith, McKnight, Pinard, Ross, Taylor, Tellier, Widdifield, Wigle, Wright.

DEPUTATIONS:

In respect to the ten-mile limit imposed upon the gill-net fishermen of Lake Erie operating west of Port Stanley, a deputation was introduced to the Committee by Mr. McKnight. Upon its behalf Mr. Bell, of Port Stanley, declared that the ten-mile limit was regarded as unjust and as requiring the expenditure of coal and energy by the fishermen with no assurance of any return. He stated that the fishermen tried to fish scientifically and to follow the fish. The present law prevented them doing so any further than within ten miles of the shore.

Mr. Bell pointed out that the early justification of the law had been that the area restricted was a natural sanctuary for the breeding of fish. This claim, however, had later been abandoned and it had been admitted that the idea was to protect the pound-net fishermen. Upon this point he stated that the pound-net men did not fish more than three miles off shore, so that seven miles surplus protection was now being given to them.

In reply to the question of Mr. Clarke, Deputy Minister McDonald stated that he knew of no justification for the ten-mile limit, and that he considered a five-mile limit would be adequate. It was pointed out that Lake Erie had the only ten-mile limit in the Province. Mr. Taylor recalled that the limit was the result of an agreement reached several years ago between the gill- and pound-net fishermen.

Mr. Gray suggested that a sub-committee visit the district and report upon the situation. Mr. McKnight objected to any policy of delay, pointing out that the Committee was in full possession of the facts, which had been presented to it in several successive years without action being taken upon them. The limit was, in his opinion, the most unjust thing of which he had ever heard.

This concluded the presentation upon the matter, which was left for the consideration of the Committee on the following day.

Mr. Clarke introduced Mr. E. Sidey, of Bewdley, to the Committee, who took up the question of the drowned lands of Northumberland and Peterboro districts, formed some years ago by the work upon the Trent Valley Canal. The Dominion Government, he stated, had paid compensation to farmers in respect to such farms, but the farmers still maintained that they owned the lands in spite of such settlements and were forbidding trapping upon them or trapping and fishing in the waters which covered them. He asked that some declaration be made by the Government of the farmer's right of ownership or of the trapper's right to operate.

Mr. Bradburn stated that he had been one of those compensated and that he had considered himself to have surrendered his lands. Other members of the Committee, however, inclined to the opinion that damages only had been paid. The matter was stated to have been before the courts, where the farmer's right of ownership had been upheld.

Upon motion of Mr. Colliver, seconded by Mr. Clarke, the Department was instructed to find from the Dominion Government if it claimed ownership of the land in respect to which it had paid compensation.

The Committee thereupon passed to a consideration of the several recommendations which had been placed before it.

Caribou and Moose Season.

M. U. Bates, Esq., Metagama.—Recommended that the season for big game open not later than October 15th.

D. O'Connor, Esq., Connaught Station.—Recommended season for moose open October 1st and close on the 30th, drawing the lines where the water flows north to the C.N.R.

Discussion of the recommendations ensued. Mr. Taylor stated that Mr. Bates was commercializing the fish and game resources of the Province. Pointing out that Mr. Bates raised Airedale and deer dogs, he told of photographs he had seen showing that these dogs had been eating deer. If these photographs, which were of Mr. Bates' own showing, represented his standard of conservation and preservation for the Province, Mr. Taylor considered that his views were not worth the Committee's attention.

Upon motion of Mr. Taylor, seconded by Mr. Tellier, the Committee decided that no change should be made in the season, except that it should close on November 25th north and west of the Mattawa and French Rivers.

United Counties of Leeds and Grenville petition.—Recommended that the killing of deer and moose be prohibited within the United Counties of Leeds and Grenville for the next ten years.

Upon motion of Mr. Gray, seconded by Mr. Wright, the Committee moved that there should be a closed season for five years in these counties.

Petition from residents of St. Joseph's Island and townships of St. Joseph's Island.—Recommended for the protection of moose and deer that the season be shortened fifteen days from the 15th of November to the 30th, inclusive.

Upon motion of Mr. Wigle, seconded by Mr. Taylor, the Committee recommended that the St. Joseph's Island season be made from November 10th to November 25th.

H. S. Galbraith, Esq., Ardberg.—Recommended a closed season south of the French and Mattawa Rivers for four or five years.

This matter was covered by the previous motion of Messrs. Taylor and Tellier, as also were the following recommendations:

H. S. Galbraith, Esq., Ardberg.—Recommending deer season south of the French and Mattawa Rivers open November 12th.

Mississauga Hunt Club, Bruce Mines.—Recommending season open November 10th in Algoma.

M. U. Bates, Esq., Metagama.—Recommending season for big game open not later than October 15th.

Sudbury District Fish and Game Protective Association.—Placing itself on record with the Department that they consider the open season for deer and moose satisfactory and necessary for the preservation of our game.

Prohibition of Shooting Deer in Water.

Port Hope Fish and Game Protective Association.—Recommended that the killing of deer in water be prohibited.

R. H. Hewitt, Esq., Port Hope.—Recommended the same.

Upon motion of Mr. Taylor, seconded by Mr. Gray, the Committee moved that no action should be taken.

Use of Hounds.

R. F. Gehrke, Esq., Commanda.—Recommended a discontinuance of the use of hounds in our forests.

Upon motion of Mr. McKnight, seconded by Mr. Stuart, the Committee moved that no action be taken on the recommendation.

The Ontario Sportsmen's Game and Fish Protective Association.—Recommended that running of deer with dogs be eliminated in townships of Loring, Arnstein, Golden Valley and Commanda, as per attached petition.

Upon motion of Dr. Harcourt, seconded by Mr. Bradburn, the Committee moved that no action be taken on this recommendation.

Sale of Game.

Ontario Hunters' Game and Fish Protective Association.—Recommended prohibiting sale of all game.

Port Hope Fish and Game Protective Association.—Recommended that it be unlawful to sell any game.

Discussion upon these matters ensued in the Committee. Mr. Taylor stated that the privilege at present given the butchers of the Province was abused. He also declared that butchers purchased licenses and that the Department had no means of checking up to see whether or not the purchaser of the license went north. The result was that some hunter was illegally furnished with the coupon which enabled him to bring a deer out. The law at present, Mr. Taylor believed, did not tend towards the conservation of the game.

Other members of the Committee considered the change too radical. Major Gray pointed out that there was no necessity for it in view of the fact that the deer, in his section of the Province at any rate, were increasing. Purchase of game, he said, was the only means by which it could be secured by many people, and many hunters, furthermore, recouped part of the cost of their trip from the sale of the animal.

A motion from Mr. Taylor, seconded by Dr. Harcourt, was then voted down by the Committee, which favoured no change in the law.

Concerning Ducks.

W. H. Storey, Esq., Brockville.—Recommended open season commence September 15th and close December 31st.

J. J. Warren, Esq., Mallorytown.—Recommended extending closed season until October 1st.

C. G. Gaudur, Esq., Atherley.—Recommended season open September 14th.

Sudbury District Fish and Game Protective Association.—Placed itself on record with the Department that the open season for birds in Sudbury district is quite satisfactory and necessary for the preservation of our game.

Upon motion of Mr. Gray, seconded by Mr. Bradburn, the Committee recommended that south and east of the French and Mattawa Rivers, the season be from September 15th to December 15th.

Fur Dealers.

The Fur Merchants' Association of Ontario.—Recommended a new license to be issued to manufacturers buying from wholesale licensees only.

Upon motion of Mr. Gray, seconded by Mr. Taylor, no action was taken on the recommendation.

Recommended that the present one dollar license fee be entirely eliminated.

Upon motion of Mr. Colliver, seconded by Mr. Bowman, no action was taken on the recommendation.

Recommended that the non-resident travelling fur buyers' license be entirely eliminated or fee increased from \$200 to \$1,000.

Discussion upon this point ensued from the Committee, Mr. Colliver moved for a \$500 license fee, taking the ground that the travelling buyer was the one who handled the bulk of the illegal furs in the Province. Mr. Taylor suggested that to eliminate the travelling buyer might be to injure the market of the trapper, but Mr. Bowman pointed out that the trapper was not left dependent upon local buyers, but could ship his furs to the open market in Montreal. Upon being questioned concerning the number of travelling buyers out of the eleven in the Province who had been detected in law violations during the past year, Deputy Minister McDonald stated that one had been so caught. He agreed that a great many more local buyers had been penalized and that violations were even great amongst the local buyers. Mr. Taylor moved in amendment that no action be taken and the amendment was carried by a vote of seven to six.

Recommended that the present \$25 store license be granted to dealers only.

The Committee agreed that no action should be taken on this recommendation.

Recommended that the resident travelling fur buyer's license be reduced from \$100 to \$75.

Mr. Colliver stated that either this recommendation should be concurred in or the store license raised, because the storekeeper, by use of his telephone, and by after-dark practices, could carry on highly extensive operations. The effect on the revenue of the Province was pointed out by the Deputy Minister, and the Committee thereupon voted down a motion by Mr. Colliver, seconded by Mr. Hambly, that the recommendation be approved.

Petition of residents from Verona and township of Portland.—Recommended that all who have shop licenses should be given the privilege of buying furs anywhere in the township in which they live.

Upon motion of Mr. Gray, seconded by Mr. Taylor, the Committee agreed that no action be taken on this recommendation.

Hunting Licenses.

U. M. Bates, Metagama.—Recommended no increase over the present much too high license fee of \$41.

Recommended a reduction of present small game fee to \$10.

Sudbury Fish and Game and Game Protective Association.—Believed the increased license fee charged to non-residents to be quite fair and trusted same would be maintained.

Upon motion of Mr. Bradburn, seconded by Mr. McKnight, the Committee agreed that no action should be taken on these recommendations.

Sunken Punts.

Petition with 109 signatures.—Recommended it be illegal to shoot duck from sunken punt, battery, or monitor without motive power while anchored or moored in open water with decoys set on and around the craft.

Upon motion of Mr. Bradburn, seconded by Mr. Wright, the Committee agreed that no action should be taken on this recommendation.

Penalties.

Ontario Hunters' Game and Fish Protective Association.—Recommended an increase in the minimum penalties provided for contraventions of the Act.

Sanctuaries.

Essex Wild Life Conservation Association.—Recommended an increase in the number of smaller sanctuaries.

Ontario Hunters' Game and Fish Protective Association.—Recommended the creation of more and smaller game sanctuaries.

Upon the motion of Mr. Tellier, seconded by Mr. McKnight, this matter was referred to the Department.

Bass Season.

R. W. Marks, Esq., Perth.—Recommended closed season for bass be extended for Christie's Lake until July 1st.

Upon motion of Mr. Bradburn, seconded by Mr. Bowman, the Committee agreed that no action should be taken upon this recommendation.

Non-Resident Permits.

Major Gray moved, seconded by Mr. Stuart, that angling licenses be issued to non-residents upon a daily basis for a payment of one dollar per day up to five days, when such licenses should become good for the balance of the season.

Discussion ensued on the proposal from the Committee, Mr. Gray declaring that the proposal was designed to meet transients who crossed from the United States and might wish to stop for a day's fishing on their way out of the Province, but who are deterred from doing so at present by the \$5 fee. It was also said to be designed to meet the case of the St. Lawrence River cottager who might have week-end visitors, on whose account he had to pay \$5 per head if he wished them to enjoy a day's fishing. Mr. Gray recalled that a Gananoque

deputation had interviewed Hon. Mr. McCrea during the recess upon the matter of a cottage license, and that the daily license fee had then been suggested as an alternative.

Deputy Minister McDonald read reports from his officials on the proposal, which declared that it would reduce the Department's revenue from angling licenses by 20 or 25 per cent., and that it would greatly hinder the work of enforcement.

Messrs. Black and Colliver pointed out that the United States charged the Canadian the full license fee under similar conditions. Mr. Black also pointed out that Quebec charged a fee of \$10 unless the American should be a member of a fishing club, in which case the fee was \$5.

Mr. Bradburn then moved, seconded by Mr. Colliver, as an amendment, that no action be taken in the matter.

The question was thereupon left to stand over until the next meeting of the Committee.

The Committee adjourned to meet on the following morning at 9.30 o'clock.

April 1st.

The final meeting of the Fish and Game Committee of the Ontario Legislature for the 1925 session was held on the morning of Wednesday, April 1st, at 9.30 o'clock, with the following members in attendance: Messrs. Armstrong, Bowman, Black, Bragg, Belford, Colliver, Currie, Ecclestone, Garden, Graves, Gray, Hambly, Hill, Kennedy, Keith, Callan, McKnight, Monteith, Ross, Spence, Stuart, Sweet, Taylor, Vaughan, Wright, Widdifield.

Beaver.

The Municipal Union of Rainy River.—Recommended that the taking of beaver be prohibited for a period of five years in the territory lying south of the Canadian Pacific Railway between Fort William and the Manitoba boundary.

H. S. Galbraith, Esq., Ardbeg.—Recommended a closed season.

W. J. Richards, Esq., Vermilion Bay.—Recommended the same.

Upon motion of Mr. Vaughan, seconded by Mr. Wright, the Committee agreed that this matter should be left with the Department.

Does and Fawns.

R. F. Gehrke, Esq., Commanda.—Recommended prohibiting the killing of does and fawns altogether.

Discussion ensued upon the point in the Committee, Mr. Black recalling that such a law had once been enacted but had been retained for only one year. The general experience, he stated, had been that the huntsman did not know what he was shooting at until after he had made his kill.

Upon motion of Mr. McKnight, seconded by Mr. Hill, the Committee agreed that no action be taken in the matter.

Firearms.

T. G. Hicks, Esq., Bracebridge.—Recommended prohibiting boys under sixteen the use of firearms.

Discussion ensued upon the point in the Committee, Mr. Graves stating that he could see no reason for allowing a boy of fourteen to carry a gun. Other

members of the Committee stated that the boy was the hunter of rabbits and other small game which would otherwise over-run the country to the injury of the farmers.

Upon motion of Mr. Garden, seconded by Mr. Currie, the Committee agreed that no action should be taken in the matter.

Gun License.

H. G. Smyth, Esq., Box 3, Postal Station "B," Hamilton.—Recommended a gun license.

Leslie R. Dwyer, Esq., St. Catharines.—Recommended a gun license.

M. McMartin, Esq., South Indian.—Recommended a gun license.

Essex Wild Life Conservation Association, Walkerville.—Recommended a gun license.

Ontario Hunters' Game and Fish Protective Association.—Recommended licensing all firearms, exempting the farmer on his own land.

T. G. Hicks, Esq., Bracebridge.—Recommended \$2 gun license for hunters, other than those holding deer licenses.

Sudbury District Fish and Game Protective Association.—Wished to again bring to Committee's attention its stand in favour of a gun license, asking that it be considered now that more adequate means are available to enforce the game laws.

Discussion upon the matter ensued in the Committee, Mr. Graves taking the stand that the agitation for a gun license came entirely from urban centres and Mr. Bowman averring that such a measure would work a hardship upon the northern district. Mr. Graves, however, strongly pleaded the interests of his own riding, declaring that lack of control over firearms, particularly those of foreigners, made it impossible to protect the pheasants upon the rearing of which the district farmers were expending so much care and expense. He did not wish to impose an unwanted law upon any other districts, and he was also willing to exempt the farmer upon his own land. He further concurred in Mr. Black's suggestion that some legislation which would take care of the situation in his particular riding be recommended by the Committee. When asked for his viewpoint, Deputy Minister McDonald stated that a gun license was bound to come eventually, but that he would suggest for the present legislation taking care specifically of Mr. Graves' riding.

Means of meeting the situation were discussed at length, suggestions that county councils be empowered to issue licenses meeting departmental objections because it would eliminate the Department from the matter. The Committee thereupon adjourned until 1.30 o'clock upon the understanding that a motion of Mr. Currie's whereby districts desiring a gun license might secure the same should be presented in properly drafted form.

Upon the Committee resuming at 1.30, Mr. Graves moved, and Mr. Garden seconded, that the Department be authorized at the request of county councils and municipalities in unorganized districts to enact a license for the carrying of firearms, the farmer on his own land to be exempted, the fee for such license to be one dollar per year and no such license to be issued to a boy under twelve years. The Committee carried the motion.

Angling Licenses.

Mr. Gray moved, and Mr. Stuart seconded, that the Department be asked to amend the regulations governing angling permits on the River St. Lawrence

so that a daily permit at one dollar, a weekly permit at three dollars, and a season permit at five dollars be issued to non-resident anglers.

Mr. Gray repeated his argument made at a previous meeting that such a schedule would provide for transient tourists passing through the Province on their way to Quebec and also for week-end guests of St. Lawrence River cottagers. He believed that it would mean a greater revenue for the Department. Mr. Bradburn declared that the Americans who came into this Province were well able to pay for their angling and he believed that they should do so. It was pointed out that the United States charged Canadians \$2, but had not nearly so good fishing. Quebec charged Americans \$10, except in the case of club members, who paid \$5. Deputy Minister McDonald pointed out that under the present schedule of license fees the departmental revenue had grown from \$14,000 in 1918 to \$105,000 in 1924. If any change were to be made, he suggested the cottage license of \$5 for one head of a family, and of \$2 for each other member. The proposal of Major Gray, he said, would be impossible to enforce.

Mr. Heenan interposed at this point to object to the Gray proposal on account of the fact that it would give the St. Lawrence border an advantage over the western border in the matter of attracting tourists. He spoke particularly, however, with reference to the recent action of the Department in closing a large area of the Lake of the Woods to commercial fishing. The board of trade, town council and the member for Kenora, and 1,600 residents of the riding were opposed to these restrictions upon the Kenora district waters.

The Gray motion was thereupon put to a vote and lost.

Resident Deer Licenses.

Petition signed by 137 residents of the township of Faraday.—Requested that deer licenses be issued for the sum of one dollar instead of four dollars.

Discussion upon the point ensued from the Committee, which took the view that conditions in the district referred to were settlers' conditions and should enjoy the same privileges as other districts in which the settler was allowed one deer free. The point of revenue was raised and the advisability discussed of extending the settlers' privileges in all proper districts and of making a fee of one dollar. Mr. Bradburn thereupon moved, seconded by Mr. McKnight, that all farmers living upon and tilling and cultivating their own land in that portion of the Province lying north and west of the C.P.R. line from Arnprior to Smith's Falls, thence west to Peterboro, then to Port McNicoll and north and west thereof, be issued a hunting license for a fee of one dollar. The motion carried.

Partridge Season.

H. S. Galbraith, Esq., Ardbeg.—Recommended closed season on partridge for about three years.

J. M. Savage, Esq., Acton.—Recommended closed season for five years on partridge.

Ontario Hunters' Fish and Game Protective Association (on behalf of Turkey Island Hunt Club).—Recommends that open season for partridge be changed back to where it had been—same dates as open season for deer.

Port Hope Fish and Game Protective Association.—Recommended that the open season for partridge be the same as for deer.

Sudbury Fish and Game Protective Association.—Desired to place itself on record with the Department that it considered the present open season for birds quite satisfactory and necessary for the preservation of game.

Discussion upon the recommendations ensued in the Committee and the view was taken that the partridge was in danger of extinction unless additional protection were granted it. Therefore Mr. Colliver moved, Mr. Weichel seconded, and it was agreed that a closed season be placed on partridge in Ontario for three years, subject to exceptions which the Lieutenant-Governor in Council might make in districts in which the game was plentiful.

Fur Dealers.

A letter from P. Yaffe, Secretary of the Fur Merchants' Association, was read asking that, in view of the close vote at the preceding meeting the matter of the travelling fur buyers' licenses be reopened. No action on the recommendation was taken by the Committee.

Hungarian Partridge.

W. J. Fuller, Esq., Arkona.—Recommended the introduction of the Hungarian partridge from Alberta to Ontario.

Ontario Hunters' Game and Fish Protective Association.—Recommended introduction and propagation of Hungarian partridge.

It was agreed that this matter be left to the Department.

Pheasant Season.

R. G. Chambers, Esq., Fenwick.—Recommended close season on pheasants until December, 1927, in Gainsboro, Lincoln and Pelham townships.

Port Hope Fish and Game Protective Association.—Recommended close season for pheasants in Northumberland and Durham counties for at least five years.

It was agreed that this matter be referred to the Department.

H. G. Smyth, Esq., Box 3, Postal Station B, Hamilton.—Recommended that farmers be reimbursed for rearing pheasants from funds contributed by sportsmen who kill birds and by the Government.

The Committee agreed that no action should be taken on the recommendation.

Quail Season.

J. R. McGregor, Esq., 2nd Street, Chatham.—Recommended a closed season on quail for this year.

Essex Wild Life Conservation Association.—Recommended that no provision for an open season for quail be made in Essex county until it can be determined how well the birds have wintered.

The Committee agreed that the matter be left with the Department.

Seine Licenses.

Gordon Philip, Esq., London.—Recommended prohibiting all net fishing in rivers and streams of the Province other than those which are international or interprovincial from March 1st to June 1st.

The same recommendation was received from the London Chamber of Commerce, the Town of St. Mary's, Western Ontario Fish and Game Association, Township Council of North Dorchester, the Secretary Treasurer of the Western Ontario United Board of Trade.

Harrison Arkell, Esq.—Recommended that seine nets be prohibited in the Grand River.

The recommendations were discussed by the Committee and the view expressed that the matter was largely a local condition which should be referred to the Department. Mr. Colliver, seconded by Mr. Keith, therefore moved that the matter be left with the Department.

Mr. Ross urged that action be taken, declaring that fishing in the district was being ruined for the residents. Mr. Lethbridge also addressed the Committee, recalling that fishing had previously been spoiled some years ago when a mill dam had been placed across the stream, preventing the fish from coming up it. When the agitation of the residents succeeded in having the mill dam improved, fishing had straightway become good again. The seine nets, he contended, were analogous to the mill dam in their effect upon the fish coming up the river. Mr. Ross therefore moved in amendment, seconded by Mr. Wright, that seine netting be prohibited. The vote was taken on the amendment, which was lost, the matter accordingly being referred to the Department.

Pickeral Season.

Perry Alexander, Oak Orchard P.O.—Recommended open season for pickerel the same as bass and maskinonge.

R. H. Hewitt, Esq., Port Hope.—Recommended lunge regulations govern pickerel.

Port Hope Fish and Game Protective Association.—Recommended closed season for pickerel fishing in Rice Lake correspond with the season for bass and maskinonge.

John Kent, Esq., Bewdley.—Recommended closed season for pickerel to comply with season for maskinonge.

S. J. G. Nichols, Esq., R.R. No. 6, Cobourg.—Recommended pickerel season coincide with bass and lunge season.

Peterborough Fish and Game Protective Association.—Recommended pickerel season coincide with bass and lunge season.

Declaring that he had studied the situation, Mr. Bradburn moved, seconded by Mr. Belford, that trolling for pickerel be prohibited during the closed season for bass and lunge. The motion carried.

Speckled Trout Season.

C. B. Hacking, Esq., Hanover.—Moved that the counties of Grey and Bruce have open season for trout from May 1st to August 1st.

The Committee agreed that no action be taken on the recommendation.

Hamilton.

Hamilton Angling Club.—Recommended that no netting be allowed in the Hamilton Bay or adjacent streams. Prohibition of spearing in Wentworth county waters, if not in the entire Province.

The Committee agreed that the matter be left in the hands of the Department.

Night Lines.

Petition from 138 residents of Elgin county.—Requested prohibition of the use of night lines in Otter and Catfish Creeks.

Ten-Mile Limit.

Decision upon the request of the Lake Erie fishermen for abolition of the ten-mile limit then came up, and Mr. Belford moved, Mr. Colliver seconded, and it was agreed that a five-mile limit be fixed uniformly where the ten-mile limit now obtained.

Guns in Closed Season.

Mr. Weichel moved, Mr. Belford seconded, and it was agreed, that non-residents be prohibited from carrying firearms during the closed season and be allowed to carry them during the open season only under condition of a hunting license.

The following amendments to the Fish and Game Act were suggested by the Department:—

(1) That section 6 be repealed and the following substituted therefor: "Ownership of fish and game on leased or patented lands only by consent of Minister. Notwithstanding any other Act or Acts, any lease or patent of Crown lands issued before or after the passing of this Act shall not be deemed to extend any ownership to any game or fish that may be in or upon such territories without the written consent and approval of the Minister, who may issue hunting, trapping and fishing licenses for such territories." The Committee concurred.

(2) That section 10, clause D, be repealed and the following substituted therefor: "Any ruffed grouse (commonly known as partridge), pheasant, or sharp-tailed grouse (commonly known as prairie chicken). The Committee concurred.

(3) Section 10, clause (e), to be amended by extending the open season to November 30th. The Committee concurred.

(4) Section 10, clause (f), to be repealed and the following substituted therefor: "Any quail, wild turkey, black or grey squirrels." The Committee concurred.

(5) Section 11, subsection 9, be inserted as follows: "Without lawful excuse no person shall molest or destroy a raccoon den or its usual place of habitation." The Committee concurred.

(6) Section 22, subsections 1 and 2; section 23, subsections 1 to 6, inclusive; section 36; section 34, subsections 1 and 2—all these sections to be repealed. The Committee concurred.

(7) Section 45, subsection 1, to be amended by adding thereto the following: "And if an export permit is secured, as provided for under section 11b of the Act, one bear or bear pelt may be exported. The Committee concurred.

Report of the Standing Committee on Public Accounts, 1925.

To the Honourable the Legislative Assembly of the Province of Ontario:

Your Committee has had produced before it certain vouchers, accounts, correspondence and particulars in connection with the Public Accounts of Ontario, for the fiscal year ending the 31st October, 1924, which it has carefully examined, and your Committee has also considered evidence in connection therewith.

Your Committee has investigated the allegations that commissions were paid by the Home Bank of Canada, in connection with the purchase by that bank of \$4,000,000.00 debentures of the Province of Ontario, in the year 1919. The Committee has obtained evidence from all witnesses who seemed able to give any information in connection therewith, and submit herewith the evidence and documents obtained upon such inquiry.

Your Committee has investigated the affairs of the Highway Department, and has obtained the report of an extensive audit of that Department, and find that a most lamentable state of affairs has existed in the bookkeeping of that Department. For long periods, there were no books of entry showing the disposition of very large sums of money, and in other cases the books of account have disappeared. The Committee is glad to observe that the Auditor's report shows that a proper system of accounting and auditing has now been installed.

Your Committee has continued the investigations of last year in reference to the purchase of inscribed stock from the Provincial Securities Company, and the disposition of the profits made in connection therewith. It is recommended that the evidence and documents in connection therewith be submitted to the Attorney-General for his consideration.

The investigation started last year, in connection with the operation of the Savings Assurance Agency, Limited, with the Provincial Bank, has been continued, and a full report thereon has been obtained from competent auditors, and such report is submitted herewith, and incorporated in the evidence taken by your Committee.

Attached hereto is a list of the witnesses who were examined on oath by your Committee.

Your Committee has held during the Session, ten meetings, and submits herewith the minutes of the proceedings and the evidence given, as taken by the stenographer.

All of which is respectfully submitted.

W. FINLAYSON,
Chairman.

WITNESSES EXAMINED BY PUBLIC ACCOUNTS COMMITTEE.

A. E. Nash, Auditor, Toronto, Ont.
 E. C. Drury, Crown Hill.
 W. E. Raney, Toronto.
 F. C. Biggs, Dundas.
 M. J. Haney, Toronto.
 R. P. Gough, Toronto.
 S. Casey Wood, Toronto.
 Clarence Smith, Montreal, Que.
 J. T. White, Toronto.
 A. J. Walker, Auditor, Toronto.
 A. C. Caldwell, Dundas.
 Geo. R. Harris, Hamilton.
 C. H. Anderson, Dept. of Public Highways, Toronto.
 W. H. Brown, Dept. of Public Highways, Toronto.
 A. Bray, R.R. No. 3, Hamilton.
 W. D. Flatt, Hamilton.

EXHIBITS PRESENTED TO PUBLIC ACCOUNTS COMMITTEE.

PRESENTED BY MR. NASH, *re* PROVINCIAL SECURITIES:

No. 1	Cheque dated Dec. 23rd, 1921, issued to A. G. Browning by Beth B. Harris.....	\$2,000 00
No. 2	Cheque dated Dec. 7th, 1922, issued to Royal Bank by George R. Harris.....	650 00
No. 3	Cheque dated Dec. 18th, 1922, issued to Royal Bank for A. G. Browning by George R. Harris.....	850 00
No. 4	Note dated Jan. 18th, 1923, in favour of Mrs. G. R. Harris by A. G. Browning.....	5,000 00
No. 5	Cheque dated Jan. 14th, 1922, issued to A. C. Caldwell by Geo. R. Harris.....	100 00
No. 6	Cheque dated Jan. 28th, 1922, issued to A. C. Caldwell by Geo. R. Harris.....	300 00
No. 7	Cheque dated Feb. 11th, 1922, issued to A. C. Caldwell by Geo. R. Harris.....	500 00
No. 8	Cheque dated Sept. 29th, 1922, issued to A. C. Caldwell by Geo. R. Harris.....	1,000 00
No. 9	Cheque dated Mar. 14th, 1922, issued to A. C. Caldwell by Browning, Harris, Northey & Company, signed by Geo. R. Harris and B. E. Thompson.....	200 00
No. 10	Letter dated Mar. 28th, 1925, at New York, from G. R. Harris to Hon. F. C. Biggs, concerning entry of bond purchases from F. C. Biggs in Security Day Book of Browning Harris & Company.	

PRESENTED BY C. H. ANDERSON *re* PURCHASE OF PROPERTY FROM A. BRAY:

- No. 11 Option for \$21,000 given to W. S. Milmine by A. Bray, for property later purchased for Department for highway purposes.
- No. 12 Card Record of purchase of property from A. Bray.
- No. 13 Blue-Print showing property purchased by Department of Public Highways, from A. Bray.
- No. 14 Memorandum to Mr. Squire showing property cost of entrance to Hamilton of Guelph and Toronto Highways.
- No. 15 Copy of letter dated Aug. 11th, 1921, to W. A. McLean, from W. D. Flatt, *re* purchase of property from Department of Highways.
- No. 16 Copy of letter dated Aug. 12th, 1921, to W. A. McLean, from W. G. Evans, *re* purchase of property by W. D. Flatt from Department of Highways and sale of property to Department of Highways.

PRESENTED BY W. H. BROWN *re* PURCHASE OF PROPERTY FROM A. BRAY:

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|--------|--|-------------|
| No. 17 | Cheque dated Sept. 30, 1920, issued by Dept. of Highways to A. Bray. Cancelled later..... | \$10,000 00 |
| No. 18 | Cheque dated Sept. 30, 1920, issued by Dept. of Highways to A. Bray. Cancelled later..... | 10,000 00 |
| No. 19 | Cheque dated Sept. 30, 1920, issued by Dept. of Highways to A. Bray for property..... | 20,900 00 |
| No. 20 | Cheque and Voucher dated Feb. 17th, 1921, issued by Dept. of Highways to Cleaver & Cleaver, <i>re</i> purchase of property from A. Bray..... | 100 00 |
| No. 21 | Memorandum dated Nov. 18th, 1920, to W. A. McLean from Property Valuator <i>re</i> Bray option at Hamilton entrance. | |
| No. 22 | Memorandum dated Oct. 26th, 1920, to W. A. McLean from G. C. Austin, Accountant of Highways Department, <i>re</i> the issuing of a cheque for \$20,900 to A. Bray. | |

Minutes and Proceedings

PUBLIC ACCOUNTS COMMITTEE, 1925.

Public Accounts Committee Room,
Parliament Buildings,
Toronto, March 27th, 1925.

The Select Standing Committee to whom was referred the examination of the Public Accounts of the Province for the fiscal year 1923-1924 and composed of the following members: Messrs. Acres, Beck, Belanger, Belford, Berry, Biggs, Black, Bradburn, Carmichael, Carr, Clarke (Brockville), Clarke (Northumberland), Currie, Doherty, Ecclestone, Edwards, Elliott, Finlayson, Fisher, Freeborn, Garden, Godfrey, Graves, Haney, Harcourt, Heenan, Henry, Hill, Hillmer, Homuth, Ireland, Jamieson (Grey), Keefer, Keith, Kemp, Kennedy (Temiskam-

ing), Lang, Lethbridge, Lewis, Lyons, McBrien, McCausland, McCrea, McKeown, MacBride, Mageau, Morel, Nesbitt, Nickle, Nixon, Oakley, Oke, Owens, Patterson, Price, Proulx, Raney, Rankin, Sinclair, Tellier, Thompson (Lanark), Vaughan, Wallis, Weichel, Widdifield, Wigle, Wilson (Windsor), met this day for organization.

Present:—Messrs. Belanger, Belford, Berry, Bradburn, Carr, Clarke (Northumberland), Ecclestone, Edwards, Finlayson, Fisher, Graves, Harcourt, Heenan, Hill, Hillmer, Jamieson (Grey), Keith, Kemp, Kennedy (Temiskaming), Lethbridge, McBrien, McKeown, Mageau, Oakley, Price, Raney, Sinclair, Vaughan, Weichel, Widdifield, Wigle.

Moved by the Honourable Mr. Price, seconded by Mr. Keith,

That Mr. Finlayson be appointed chairman of the Committee. Carried.

Moved by the Honourable Mr. Price, seconded by Mr. Jamieson (Grey),

That the Provincial Auditor be summoned to appear before this Committee at its next meeting and give evidence relating to the audit of the Highways Improvement Fund. Carried.

Moved by the Honourable Mr. Price, seconded by Mr. McBrien,

That William Brown of the Department of Public Highways be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place cheque No. 73494 drawn by the Department of Public Highways in favour of A. Bray, relating to the accounts of the Highway Improvement Fund. Carried.

Moved by Mr. McBrien, seconded by Mr. Keith,

That Mr. A. J. Walker, Chartered Accountant of the City of Toronto, be summoned to appear before this Committee and give evidence in connection with the audit of the Highway Improvement Fund. Carried.

Moved by the Honourable Mr. Price, seconded by Mr. McBrien,

That William R. Teddman of the Department of Public Highways be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place original letter dated August 11th, 1921, written by W. D. Flatt to W. A. MacLean, former Deputy Minister of Highways, also original letter of W. G. Evans to W. A. MacLean dated August 12th, 1921, relating to the accounts of the Highway Improvement Fund. Carried.

Moved by the Honourable Mr. Price, seconded by Mr. McBrien,

That Sydney James Burstow of the Department of Public Highways be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place two original cheques of the Department of Highways, Numbers 73490 and 73494, each made out in favour of A. Bray, relating to the accounts of the Highway Improvement Fund. Carried.

Moved by the Honourable Mr. Price, seconded by Mr. Jamieson (Grey),

That Charles H. Anderson of the Department of Public Highways be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence relating to the Highway Improvement Fund, and produce at the same time and place a plan of the Department of Highways showing property purchased from A. Bray, the property transferred to the Department by W. D. Flatt, or his nominees, and memorandum computed by him under date of January 13th, 1924. Carried.

Moved by the Honourable Mr. Price, seconded by Mr. McBrien,

That an executive member of the firm of Messrs. Clarkson, Gordon &

Dilworth be summoned to appear before this Committee at its next meeting and give evidence and produce the report on the account or accounts of Mr. George R. Harris or Mrs. George R. Harris, in connection with the purchase of Succession Duty Free Bonds by the Provincial Securities Company, and others, as ordered by the Public Accounts Committee at its meeting held on April 17th, 1924. Carried.

Moved by Mr. Sinclair, seconded by Mr. Fisher,

That there be laid before this Committee at its next meeting all vouchers, cheques, orders, memorandums, telegrams, and letters relating to the item Lyons Fuel and Supply Co., \$14,202.58, appearing on Page F.35 of the Public Accounts 1924. Carried.

Moved by Mr. Sinclair, seconded by Mr. Mageau,

That there be laid before this Committee at its next meeting all vouchers, cheques, orders, memorandums, telegrams and letters relating to the item "McNamara Construction Co., \$279,166.78" appearing on page F.37 of the Public Accounts 1924. Carried.

Moved by Mr. Sinclair, seconded by Mr. Clarke (Northumberland),

That Clarence Smith, S. Casey Wood, K.C., M. J. Haney, R. P. Gough, Peter Smith, Charles A. Matthews and J. T. White be summoned to appear before this Committee on Wednesday, the 1st day of April, A.D. 1925, to give evidence regarding commissions paid by the Home Bank to any party or parties upon the sale of Provincial securities on September 23rd, 1919, as referred to in the evidence and report of the Standing Committee on Public Accounts 1924, and to produce before the Committee all books and documents in their possession or power relating to the same.

It was moved in amendment by Mr. McKeown, seconded by Mr. McBrien,

That Mr. Sinclair's motion remain over for consideration until the next meeting of the Committee. Carried.

On the question being raised as to whether the Amendment was in order the Chairman ruled in the affirmative. On the appeal of Mr. Sinclair against this ruling a vote was polled, the ruling of the chair being sustained on the following division:—

To sustain the ruling:—

Messrs. Belford,
Berry,
Bradburn,
Ecclestone,
Edwards,
Graves,
Harcourt,
Hillmer,
Jamieson (Grey),
Keith,
McCausland,
McKeown,
Oakley,
Price,
Raney,
Vaughan,
Weichel,
Wigle,
Hill—19.

Against the ruling:—

Messrs. Belanger,
Clarke (Northumberland),
Fisher,
Kemp,
Lethbridge,
Mageau,
Sinclair,
Widdifield—8.

The amendment was then voted upon and carried on the following division:—

Yeas:—

Messrs. Belford,
Berry,
Bradburn,
Carr,
Ecclestone,
Edwards,
Graves,
Harcourt,
Hill,
Hillmer,
Jamieson (Grey),
Keith,
McBrien,
McKeown,
Oakley,
Price,
Vaughan,
Weichel,
Wigle—19.

Nays:—

Messrs. Belanger,
Clarke (Northumberland),
Fisher,
Kemp,
Lang,
Lethbridge,
Mageau,
Raney,
Sinclair,
Widdifield—10.

Moved by Mr. Raney, seconded by Mr. Lethbridge,

That Mr. E. C. Drury be summoned before the Committee for Thursday next in the matter of the sale of \$10,000,000 of Ontario Treasury Bills to Mr. Douglas K. Ridout in April, 1923.

Moved by Mr. Raney, seconded by Mr. Kemp,

That the Provincial Auditor be summoned before the Committee at its next meeting to answer questions concerning the general scope of the activities of his office since he became auditor.

Moved by Mr. McBrien, seconded by Mr. McKeown,

That A. C. Caldwell, of the Town of Dundas, be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place all books, letters, documents, bank accounts, bank books and memoranda in writing in his custody or power relating to or containing any entry relating to the United Food Products Company, Ltd., The Co-operative Canning Company and the Caldwell Canning Company, Ltd. Carried.

Moved by Mr. McBrien, seconded by Mr. McKeown,

That G. R. Harris, of the City of Hamilton, be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place all books, letters, documents, bank accounts, bank books and memoranda in writing in his custody or power relating to or containing any entry relating to the Provincial Securities Company and Browning Harris Co. Carried.

Mr. A. E. Nash, of Clarkson, Gordon, Dilworth, being duly sworn was examined by Mr. McBrien and others in connection with the Provincial Securities and Browning Harris Company.

The Committee then adjourned until 10 A.M., Wednesday, April 1st, 1925.

Public Accounts Committee Room,
Parliament Buildings,
Toronto, April 1st, 1925.

The Committee met at 10 A.M., Mr. Finlayson in the Chair.

The minutes of the previous meeting were read and confirmed.

Present:—Messrs. Acres, Belford, Berry, Biggs, Black, Bradburn, Carmichael, Carr, Clarke (Brockville), Clarke (Northumberland), Currie, Doherty, Ecclestone, Edwards, Elliott, Fisher, Freeborn, Garden, Graves, Harcourt, Heenan, Hill, Hillmer, Ireland, Jamieson (Grey), Keith, Kemp, Lang, Lethbridge, Lewis, Lyons, McBrien, MacBride, Mageau, Morel, Nesbitt, Nixon, Oakley, Oke, Owens, Patterson, Price, Raney, Sinclair, Thompson (Lanark), Vaughan, Wallis, Weichel, Widdifield.

The motion, ordering Clarence Smith, S. Casey Wood, K.C., M. J. Haney, R. P. Gough, Peter Smith, Charles A. Matthews and J. T. White to appear before the Committee, which was introduced at the last sitting thereof by Mr. Sinclair and held over for further consideration was again discussed and passed by the Committee.

Mr. A. E. Nash, of Clarkson, Gordon & Dilworth, being recalled, was examined by Mr. McBrien and other members of the Committee.

The Committee then adjourned until Friday, April 3rd, 1925.

Public Accounts Committee Room,
Parliament Buildings,
Toronto, April 3rd, 1925.

The Committee met at 10 A.M., Mr. Finlayson in the Chair.

The minutes of the previous meeting were read and confirmed.

Present:—Messrs. Acres, Belford, Berry, Biggs, Black, Bradburn, Carmichael, Clarke (Brockville), Clarke (Northumberland), Currie, Edwards, Elliott, Finlayson, Fisher, Freeborn, Graves, Haney, Heenan, Hill, Ireland, Keith, Kemp, Kennedy (Temiskaming), Lang, Lethbridge, Lewis, McBrien, McCrea, McKeown, MacBride, Mageau, Morel, Nesbitt, Nixon, Oakley, Oke, Owens, Patterson, Price, Proulx, Raney, Sinclair, Tellier, Thompson (Lanark), Wallis, Weichel, Widdifield, Wigle, Wilson (Windsor).

It was moved by Mr. Wilson (Windsor), seconded by Mr. McBride,

That Mr. W. E. N. Sinclair be ordered to appear before the Committee to tell what he knew in connection with the sale of Provincial securities to the Home Bank in 1919.

The motion after being discussed by the Committee was withdrawn by Mr. Wilson.

Mr. E. C. Drury being duly sworn was examined by Mr. Raney and other members of the Committee in connection with the sale of Treasury Bills to D. K. Ridout in April, 1923, purchase of inscribed stock and other matters pertaining to his term of office.

The question of hearing the evidence of Peter Smith and Chas. A. Matthews in compliance with a motion passed at the previous sitting of the Committee, was discussed. It was agreed upon unanimously that their evidence should be heard by a sub-committee representing all parties in the Legislature and that they should be given an opportunity of consulting counsel.

It was moved by Mr. MacBride, seconded by Mr. Wilson (Windsor),

That the evidence of Peter Smith and Chas. A. Matthews be taken at the Parliament Buildings, Toronto.

After the Yeas had been called on this motion Mr. MacBride requested permission to withdraw it.

The Chairman ruled against the withdrawal of the motion as he already proceeded to take the vote. On the appeal of Mr. Wilson (Windsor) against this ruling a poll was taken and the ruling of the Chair sustained, on the following division:—

To sustain the ruling:—

Messrs. Biggs,
Carmichael,
Clarke (Brockville),
Currie,
Edwards,
Fisher,
Freeborn,
Kennedy (Temiskaming),
Lethbridge,
MacBride,
Mageau,
Nixon,
Oakley,
Oke,
Price,
Proulx,
Sinclair,
Widdifield—18.

Against the ruling:—

Messrs. McBrien,
Owens,
Wilson (Windsor)—3.

On the request of Mr. Currie and with unanimous consent of the Committee the Chairman allowed Mr. MacBride to withdraw his motion.

It was moved by Mr. Sinclair, seconded by Mr. Widdifield,

That evidence of Peter Smith and Chas. A. Matthews be taken before the sub-committee at Kingston.

It was moved in amendment by Mr. Currie, seconded by Mr. Wilson (Windsor),

That the evidence of Peter Smith and Chas. A. Matthews be taken at the Parliament Buildings, Toronto.

A vote was polled and the amendment declared lost on the following division:—

Yeas:—

Messrs. Currie,
Edwards,
Graves,
MacBride,
Oakley,
Oke,
Wilson (Windsor)—7.

Nays:—

Messrs. Biggs,
Carmichael,
Clarke (Northumberland),
Fisher,
Freeborn,
Kemp,
Lethbridge,
McBrien,
McCrea,
Mageau,
Nixon,
Owens,
Price,
Proulx,
Sinclair,
Tellier,
Widdifield—17.

Mr. Sinclair's motion was then declared carried on the same division. The Committee then adjourned *sine die*.

Public Accounts Committee,
Toronto, April 6th, 1925.

Pursuant to instructions of the Public Accounts Committee of 3rd April, 1925, the sub-committee appointed to proceed to Kingston, Ontario, for the purpose of taking evidence from Peter Smith and Charles A. Matthews met in the schoolroom of the Kingston Penitentiary at 10 o'clock this morning.

The following were present:—Mr. W. A. Finlayson, K.C., in the Chair; Honourable W. H. Price, K.C., Honourable Charles McCrea, Mr. Carl Homuth, M.L.A., Honourable W. E. Raney, K.C., Honourable W. E. N. Sinclair, K.C., Mr. L. W. Oke, M.L.A.; Mr. A. E. Nash, C.A., Court Stenographer.

The Chairman explained that the sub-committee had come to Kingston in pursuance of the following resolution of the Public Accounts Committee and the instructions issued at the meeting of 3rd April, 1925:—

"Moved by Mr. Sinclair, seconded by Mr. Clarke (Northumberland),

"That Clarence Smith, S. Casey Wood, K.C., M. J. Haney, R. P. Gough, Peter Smith, Charles A. Matthews and J. T. White be summoned to appear before this Committee on Wednesday, the 1st day of April, A.D. 1925, to give evidence regarding commissions paid by the Home Bank to any party or parties upon the sale of Provincial securities on September 23rd, 1919, as referred to in the evidence and report of the Standing Committee on Public Accounts 1924, and to produce before the Committee all books and documents in their possession or power relating to the same. Carried."

Mr. Charles A. Matthews appeared before the sub-committee and was duly sworn. Mr. Matthews was represented by his counsel, Mr. Hal. H. Gordon, who asked for protection for his client. A discussion arose as to what evidence would be admitted and it was decided to follow the strict rules of evidence as nearly as possible.

Mr. Matthews was examined by Mr. Sinclair, Mr. Raney and other members of the Committee in connection with the sale of \$4,000,000 of Provincial bonds to the Home Bank in 1919.

During the proceedings a discussion arose as to whether Mr. Matthews should answer the question as to who was his informant in respect to certain matters and the following motion was put, moved by Mr. W. E. Raney, K.C., and seconded by Mr. W. E. N. Sinclair, K.C.: "That this Committee is of the opinion that this question ought to be answered." A vote was polled and the motion declared lost on the following division:—

Yeas:—Mr. Raney and Mr. Sinclair.

Nays:—Mr. Price, Mr. Oke, Mr. Homuth, Mr. McCrea.

Peter Smith appeared before the Committee and was duly sworn.

Mr. Smith was examined by Mr. Sinclair and Mr. Raney and other members of the Committee in respect to the \$4,000,000 loan placed to the Home Bank in 1919 and in respect to certain commissions paid by the Home Bank.

The Chairman requested that all the members of the Committee should observe the strictest secrecy regarding the proceedings and that no information should be given out to the press or others until after the proceedings had been transcribed and produced before the Public Accounts Committee on Tuesday, 7th April, 1925.

The sub-committee returned to Toronto and by its Chairman reported the proceedings to the Public Accounts Committee at 10 A.M. on Tuesday, 7th April, 1925, and laid before the Committee a copy of the evidence taken at Kingston.

A. E. NASH,
Acting Secretary.

Public Accounts Committee Room,
Parliament Buildings,
Toronto, April 7th, 1925.

The Committee met at 10 A.M., Mr. Finlayson in the Chair.

Present:—Messrs. Belford, Biggs, Black, Bradburn, Carmichael, Carr, Clarke (Brockville), Ecclestone, Edwards, Elliott, Finlayson, Fisher, Freeborn, Garden, Graves, Haney, Harcourt, Hill, Homuth, Keefer, Kemp, Kennedy (Temiskaming), Lethbridge, McBrien, McCausland, McCrea, McKeown, MacBride, Mageau, Nesbitt, Oakley, Oke, Price, Proulx, Raney, Rankin, Sinclair, Thompson (Lanark), Vaughan, Wallis, Weichel, Widdifield, Wigle, Wilson (Windsor).

Moved by Mr. McKeown, seconded by Mr. Biggs,

That reading of minutes of previous meeting be dispensed with.

The Chairman presented the evidence of Peter Smith and Charles A. Matthews taken before a sub-committee composed of the following members of the Public Accounts Committee: Messrs. Price, McCrea, Finlayson, Raney, Sinclair, Homuth and Oke, at Kingston on April 6th.

Moved by Mr. Thompson (Lanark), seconded by Mr. Widdifield,

That this evidence be read to the Committee. Carried.

The evidence was then read by Mr. Finlayson and Mr. McCrea.

Moved by Mr. Bradburn, seconded by Mr. McCrea,

That the evidence taken by sub-committee be received and incorporated in the evidence of the Public Accounts Committee.

Mr. Raney, after making a statement to the Committee was duly sworn and examined by Mr. Price and others in connection with the sale of Treasury Bills to D. K. Ridout in April, 1923, the savings assurance and other matters.

Moved by Mr. Biggs, seconded by Mr. Widdifield,

That Mr. A. Bray be summoned to appear before this Committee to give evidence regarding the purchase of certain lands from him by the Department of Highways during 1921.

Moved by Mr. Biggs, seconded by Mr. Widdifield,

That Mr. W. D. Flatt be summoned to appear before this Committee to give evidence regarding the purchase and transfer of certain lands from him by the Department of Highways during 1921.

The Committee then adjourned until 8 P.M.

Public Accounts Committee Room,
Parliament Buildings,
Toronto, April 7th, 1925.

The Committee met at 8 P.M., Mr. Finlayson in the Chair.

Present:—Messrs. Belford, Berry, Biggs, Bradburn, Edwards, Elliott, Finlayson, Fisher, Freeborn, Garden, Godfrey, Graves, Harcourt, Heenan, Hill,

Jamieson (Grey), Keith, Kemp, Lethbridge, McBrien, McCrea, McKeown, Nesbitt, Nixon, Oakley, Patterson, Price, Proulx, Raney, Sinclair, Widdifield, Wigle, Wilson (Windsor).

Mr. McCrea acted as chairman for a short time during Mr. Finlayson's absence.

Mr. Raney was recalled and examined by Mr. McBrien and others.

Mr. Biggs being duly sworn made a statement to the Committee regarding his transactions with Browning Harris & Company and Provincial Securities, and was then examined by Mr. McBrien and others.

Mr. Nash was recalled and examined by Mr. Price and others.

The Committee then adjourned until 10 A.M., Wednesday.

Public Accounts Committee Room,
Parliament Buildings,
Toronto, April 8th, 1925.

The Committee met at 10.30 A.M., Mr. Finlayson in the Chair.

Present:—Messrs. Belford, Biggs, Bradburn, Clarke (Brockville), Currie, Ecclestone, Edwards, Finlayson, Fisher, Garden, Graves, Hill, Hillmer, Kemp, Kennedy (Temiskaming), Lang, Lethbridge, Lewis, McBrien, McCrea, Mageau, Nesbitt, Nixon, Oke, Patterson, Price, Proulx, Raney, Rankin, Sinclair, Widdifield, Wigle.

By unanimous consent of the Committee the reading of the minutes of previous meeting were dispensed with.

Messrs. R. P. Gough, S. Casey Wood, Clarence Smith, M. J. Haney, and J. G. White were duly sworn and examined by Mr. Sinclair and other members of the Committee in connection with the \$4,000,000 loan to the Home Bank, in September, 1919.

The Committee then adjourned until 3 P.M.

Public Accounts Committee Room,
Parliament Buildings,
Toronto, April 8th, 1925.

The Committee met at 3 P.M., Mr. Finlayson in the Chair.

Present:—Messrs. Biggs, Edwards, Finlayson, Fisher, Garden, Graves, Hill, Hillmer, Keith, Kemp, McCrea, Nixon, Price, Raney.

Dr. A. C. Caldwell being duly sworn was examined by Mr. Price and other members of the Committee in connection with a loan to him of \$4,000 by George R. Harris in 1921-1922.

Mr. A. J. Walker, Auditor, being called and duly sworn, gave a review of his audit of the Highway Improvement Funds, and was examined thereon by several members of the Committee.

The Committee then adjourned until 8.30 P.M.

Public Accounts Committee Room,
Parliament Buildings,
Toronto, April 8th, 1925.

The Committee met at 8.30 P.M., Mr. Finlayson in the Chair.

Present:—Messrs. Belanger, Belford, Berry, Biggs, Bradburn, Clarke (Brockville), Edwards, Finlayson, Fisher, Freeborn, Graves, Harcourt, Hillmer,

Lethbridge, McBrien, McCausland, McCrea, MacBride, Oke, Patterson, Price, Proulx, Sinclair, Thompson (Lanark), Wallis, Weichel, Widdifield, Wigle.

Mr. A. J. Walker, Auditor, was recalled to give a further review of his audit of the Highway Improvement Funds.

The Committee then adjourned until 10 A.M., Thursday, April 9th.

Public Accounts Committee Room,
Parliament Buildings,
Toronto, April 9th, 1925.

The Committee met at 10 A.M., Mr. Finlayson in the Chair.

Present:—Messrs. Berry, Biggs, Carmichael, Clarke (Brockville), Currie, Edwards, Elliott, Finlayson, Freeborn, Garden, Graves, Hill, Hillmer, Keith, Kemp, Lethbridge, Lewis, McBrien, McCausland, McKeown, MacBride, Nesbitt, Oke, Patterson, Price, Proulx, Widdifield, Wigle.

Moved by Mr. Lewis, seconded by Mr. Graves,

That the chairman be authorized to draft a report of the proceedings of the Public Accounts Committee 1925 to be submitted to the Committee later in the day.

Mr. A. E. Nash being recalled, presented a report of his audit of the savings assurance agency Exhibit No. 11, and was examined on same by Mr. Price and other members of the Committee.

George R. Harris being duly sworn was examined by Mr. Price and other members of the Committee in connection with the purchase of Inscribed Stock from Provincial Securities in 1921.

Mr. Nash being recalled gave further evidence in connection with Provincial Securities.

Mr. George R. Harris then continued his evidence.

The Committee then adjourned until 2.30 P.M.

Public Accounts Committee Room,
Parliament Buildings,
Toronto, April 9th, 1925.

The Committee met at 2.30 P.M., Mr. Finlayson in the Chair.

Present:—Messrs. Biggs, Edwards, Finlayson, Freeborn, Hill, Hillmer, Keith, Lewis, McCrea, Nesbitt, Nixon, Patterson.

Mr. C. H. Anderson being duly sworn was examined by Mr. Lewis and others in connection with the purchase of right of way by the Department of Public Highways.

Mr. W. H. Brown, of Department of Public Highways, being duly sworn produced documents and was examined by Mr. Lewis and others, *re* purchase of property from A. Bray by Department of Highways.

Mr. A. Bray being duly sworn was examined by Mr. McCrea and other members of the Committee in connection with the sale of property to the Provincial Highways Department.

Mr. W. D. Flatt being duly sworn was examined by Mr. McCrea in connection with the purchase of property from the Department of Public Highways.

Moved by Mr. Lewis, seconded by Mr. Hillmer,

That the Chairman's report as previously read be adopted.

Moved by Mr. McCrea, seconded by Mr. Lewis,
That the Committee rise and report the proceedings to the Legislature.
The Committee then adjourned for the Session.

PUBLIC ACCOUNTS COMMITTEE.

The Committee held its first meeting on Friday morning, March 27, 1925, at 10 A.M.

HON. MR. PRICE: Members of the Public Accounts Committee, we had last year Mr. Finlayson as Chairman. I am going to move that Mr. Finlayson be Chairman of the Committee this year.

MR. JAMIESON (Grey): I second the motion.

HON. MR. PRICE: It has been moved and seconded that Mr. Finlayson be Chairman of the Public Accounts Committee this year. Carried.

MR. FINLAYSON (in the chair): Order, gentlemen; what is the first order of business?

HON. MR. PRICE: Mr. Chairman, last year you will remember at the close of the Public Accounts Committee that we had been investigating the Provincial Securities Company, and the Public Accounts Committee requested that Messrs. Clarkson & Co. be asked to further investigate and give a report. That has been done. So I am asking that one of the executive members, probably Mr. Nash, of Clarksons, be asked to come before the Committee and give them a report as the Committee requested.

THE CHAIRMAN: I have been handed a motion: moved by Hon. Mr. Price, seconded by Mr. McBrien, That an executive member of the firm of Messrs. Clarkson, Gordon & Dilworth be summoned to appear before this Committee at its next meeting and give evidence, and produce the report on the account, or accounts, of Mr. George R. Harris or Mrs. George R. Harris, in connection with the purchase of Succession Duty Free Bonds by the Provincial Securities Company, and others, as ordered by the Public Accounts Committee at its meeting held on April 17th, 1924.

Any discussion on this? Favourable? Carried.

HON. MR. PRICE: Mr. Chairman, in addition to that, many members of the Committee inquired last year as to whether any audit had been made of the Highways Improvement Fund. At that time, in answer to questions, I stated that an audit was being made but it was not ready to be placed before the Committee, and we didn't know whether it would be necessary to place it before the Committee or not. Mr. Brown, the auditor, Provincial Auditor, has made this audit and I propose to ask him to come before this Committee and just tell the Committee what he has done.

Following that, a special auditor was placed on and they have been working on it for about six months. That information is available for the Committee, so that I am asking that Mr. Brown, yes, and Mr. Walker be asked to come before the Committee and give evidence. There will be other witnesses arising out of that which will come on in due course.

THE CHAIRMAN: Moved by Hon. Mr. Price, seconded by Mr. Jamieson (Grey), That the Provincial Auditor be summoned to appear before this Committee at its next meeting and give evidence relating to the audit of the Highway Improvement Fund.

Favourable? Any discussion? Carried.

THE CHAIRMAN: Then the other motion referred to by the Treasurer, moved by Mr. McBrien, seconded by Mr. Keith, That Mr. A. J. Walker, Chartered Accountant of the City of Toronto, be summoned to appear before this Committee and give evidence in connection with the audit of the Highway Improvement Fund.

Any discussion on that? Favourable? Carried.

Any other motions? A motion by Hon. Mr. Price, seconded by Mr. McBrien, That William R. Teddiman of the Department of Public Highways be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place original letter dated August 11th, 1921, written by W. D. Flatt to W. A. McLean, former Deputy Minister of Highways, also original letter of W. G. Evans to W. A. MacLean, dated August 12th, 1921, relating to the accounts of the Highway Improvement Fund.

Any discussion? Carried.

THE CHAIRMAN: Another motion: moved by Hon. Mr. Price, seconded by Mr. McBrien, That Sydney James Burstow, of the Department of Public Highways, be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place two original cheques of the Department of Highways, numbers 73490 and 73494, each made out in favour of A. Bray relating to the accounts of the Highway Improvement Fund.

THE CHAIRMAN: Any discussion? Carried.

A further motion: moved by Hon. Mr. Price, seconded by Mr. Jamieson (Grey). That Charles H. Anderson, of the Department of Public Highways, be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence relating to the Highway Improvement Fund, and produce at the same time and place a plan of the Department of Highways showing property purchased from A. Bray, the property transferred to the Department by W. D. Flatt, or his nominees, and memorandum computed by him under date of January 13th, 1924.

Any discussion on this? Favourable? Carried.

Any other motions?

MR. SINCLAIR: Yes, I would move, seconded by Mr. Fisher, That there be laid before this Committee at its next meeting all vouchers, cheques, orders, memorandums, telegrams and letters relating to the item Lyons Fuel and Supply Co., \$14,202.58 appearing on page F 35 of the Public Accounts 1924.

THE CHAIRMAN: Any discussion on this? Favourable? Carried. Any other motions?

MR. SINCLAIR: I move, seconded by Mr. Mageau, That there be laid before this Committee at its next meeting all vouchers, cheques, orders, memorandums, telegrams and letters relating to the item "McNamara Construction Co., \$279,166.78" appearing on page F 37 of the Public Accounts 1924.

Carried.

MR. SINCLAIR: I move, seconded by Mr. Clarke (Northumberland), That Clarence Smith, S. Casey Wood, K.C., M. J. Haney, R. P. Gough, Peter Smith, Charles A. Matthews and J. T. White, be summoned to appear before this Committee on Wednesday, the 1st of April, 1925, to give evidence regarding commissions paid by the Home Bank to any party or parties upon the sale of Provincial securities of September 23, 1919, as

referred to in the evidence and report of the Standing Committee on Public Accounts, 1924, and to produce before the Committee all books and documents in their possession or power relating to the same.

MR. CHAIRMAN: You have heard the motion?

MR. RANEY: What is the motion, Mr. Chairman?

THE CHAIRMAN: (Re-reads Mr. Sinclair's motion.)

Any discussion on this?

HON. MR. PRICE: I take it that this motion by Mr. Sinclair is a motion to call witnesses for the purpose of further investigating what is known as, what he terms as the Toll Gate charges, which were gone into last year. The Prime Minister in the House has announced the policy of the Government, that if there is to be any further investigation into these matters then there would have to be specific charges made in order to enable the House and the Government to appoint a proper tribunal for the purpose of investigating.

That matter came before the House and was very fully debated, and the amendment, the amendment to the budget, was based on that contention, that there had not been complete and fair investigation of that part of the Home Bank affairs. At that time the Prime Minister stated the position of the Government and the House voted to support the Government on that. It is usual in such cases where there has been an investigation, and especially in this case when Mr. Clarkson, the liquidator, who has all the papers and documents—I don't know as a matter of fact what papers and documents any of these gentlemen could have because they are not in custody or control of the Home Bank affairs, but of course that is another matter. It is customary in these cases where the matter has been gone into, where it refers to things arising out of previous years that there would be shown some very special reason for going into it. The Government, Mr. Chairman, does not desire in any way to prevent the honourable member or any honourable members from bringing in such evidence as they have before any tribunal appointed by the Government for that purpose, or if possible the Public Accounts Committee. But the distinct position of the Government is that having gone into these charges last year and given all the information that they had available, and Mr. Clarkson having said even to this date that there is no further information that he has, then any investigation of this kind should be put by way of a definite, specific charge, that honourable members may know really what they are investigating. There is no evidence, there has been no evidence before the House, no statement before the House that there is anything that honourable members of this Committee or even of the House know that should be investigated, simply innuendoes, and unless there is something, we are just wasting the time of the Committee by going on a fishing expedition for really no purpose. Therefore, I say, Mr. Chairman, that it is beyond the function of this Committee at this time, viewing the policy of the Government as stated in the House to entertain no further investigation along this line unless honourable members are prepared to make specific statements and charges of what they want.

MR. SINCLAIR: I suppose this is the first time in the history of the Public Accounts Committee of the Province of Ontario that a member of this Legislature has been asked when making a motion to produce the specific charges. It is not the policy of this Committee to introduce matters in that way, no matter if that is the declared policy of the Government. We all know the attitude which the Government took when this matter was under discussion on the floor of the House and stated that specific charges must be made, but surely that can only relate to matters coming before the House Committees. The

Public Accounts Committee is a committee before which all matters of this kind can be brought and already motions have been placed on the order paper this morning dealing with matters arising out of former years, and I say there is no charge or anything of the kind required in that case and so I submit that the other motion to go back carried unanimously by this Committee which is simply on a par with the motion which I have made.

HON. MR. PRICE: These are matters ordered by the Committee last year, which the auditors have gone into. There is nothing that the Clarkson Company have reported and they say there is nothing they have.

MR. RANEY: Somebody else might know something besides Clarkson & Co.

MR. SINCLAIR: Last year this Committee heard the evidence of only three or four witnesses in regard to the matters which are contained in my motion. Surely these three or four parties are not the only ones who could have any possible knowledge whatever of these transactions. If the object of this Committee is to get the fullest investigation and get out all facts—my honourable friend the Treasurer says we cannot go on a fishing expedition. Last year's sessions of the Public Accounts Committee were fishing expeditions from start to finish. They always—

HON. MR. PRICE: Oh no, there was positive information.

MR. SINCLAIR: Not very positive. They always are, because you don't bring witnesses here like you take them to an Assize court, with your brief prepared, consulting with your witnesses before they are called. We are in the position of having to cross-examine witnesses without having seen them at all. Last year I never saw Whittaker before I examined him, and had to get what information I could get out of him and question him, and from what developed out of the questions to carry on a further cross-examination.

Now, I do submit that the matter not being fully threshed out last year that this Committee should carry on these investigations no matter what the policy of the Government may be and for that reason I have placed this motion before the Committee this morning so that if there is any possibility of clearing this matter up this Committee will have the opportunity. I am not going to say anything more in regard to specific charges which the Prime Minister says must be laid. I just reaffirm what I said before, that it is not the practice or custom of the Public Accounts Committee that anybody should lay a charge against anybody else before a matter can be investigated.

HON. MR. PRICE: After a matter has been investigated and brought up before the House and discussed?

MR. SINCLAIR: Not at all; this Public Accounts Committee has been an open committee where anything relating to the finances of the Province can be properly brought before it on motion. It is the custom of the Committee for years to do this, and so I say that the objection taken that specific charges should be laid is not a proper objection to the motion, and some more valid objection should be given if the motion is not to carry. That is all I have to say, Mr. Chairman, at the present time in regard to this matter.

THE CHAIRMAN: What do you say as to this? Two of these men are in Kingston. We have no control over them. The other four of them are convicted with pending sentences, or sentences are pending appeal.

MEMBER: There is a procedure by which you can get a man from Kingston on order of the court.

MR. SINCLAIR: I can get him; no trouble.

THE CHAIRMAN: You are speaking for the Government?

MR. SINCLAIR: I am speaking for myself. I can get the witnesses.

MR. RANEY: Never had trouble before in that regard. We brought men before.

Q.—From Kingston?

MR. RANEY: I think so, from Kingston.

MR. McKEOWN: In one sense I agree with what Mr. Sinclair has said. This Public Accounts Committee is here for the purpose of investigating the finances of the Province of Ontario. The motion that has just been launched does not in any way from start to finish touch any item of the finances of the Province of Ontario. There is said to have been some commissions paid to someone by someone some place, I don't know where. The suggested commission does not appear in the financial report, the suggested or insinuated commission does not appear in anything connected with this Government. The investigation suggested, or insinuated as about to be undertaken by the honourable member does not appear in the Public Accounts from start to finish. His motion does not in any way affect the Public Accounts that are now before this Committee, from the year 1900 until the present time or any other year, and I agree with what he says that this Committee is here for the purpose of investigating the finances of the Province of Ontario and that alone, and we have authority and we have no jurisdiction to investigate any suggestion that may come from any newspaper or from any other source if it does not appear in some way as affecting the finances of the Province of Ontario. Unless we get special permission and special authority from the Legislature beyond the authority that we have now as a Public Accounts Committee I submit that we have no authority to go into insinuations or suggestions—perhaps they are more than insinuations.

MR. CLARKE: There is more than insinuation behind it.

MR. McKEOWN: Well, more than insinuations, and I don't think the honourable member will say—

MR. CLARKE: I do say.

MR. McKEOWN: Well, you don't know what I am going to say yet. Perhaps you will say it anyway. But I do not think the honourable member will say that there is in the Public Accounts of this Province one item—

MR. CLARKE: Oh, that is technical.

MR. McKEOWN: You see, you won't even say that, when we get down, that there is one item in the Public Accounts of this Province upon which the suggested insinuations are based and there must be something in the Public Accounts to give this Committee some jurisdiction to proceed. I think that we will have quite enough on our hands to follow up the finances of the Province of Ontario as mentioned by the honourable member for South Ontario without starting to go away off on something on which we have absolutely no jurisdiction and no authority.

MR. HEENAN: I would like to ask the Provincial Treasurer a question. Just as I came in you were saying that Mr. Clarkson had been carrying on an investigation that we had adjourned last year and that he had reported that he had found no further new evidence. Who did he make that report to?

MR. PRICE: The Prime Minister. And he told myself. Mr. Clarkson, of course you know, has been winding up the affairs of the bank and as liquidator he has been going into the various accounts and he finds nothing further there that would throw light on these transactions than what we brought last year. He has gone back, of course, gone back for a great number of years. I think he is back now practically to 1905 and he has told the Prime Minister that he finds nothing more there in the bank itself which would show that there was

any evidence to throw light on that particular loan or on any other matters, so that is what I said to the Committee. I felt they should know.

MR. HEENAN: What I had in mind, I don't know whether it would be in order, but I thought probably Mr. Clarkson would say that here before the Committee under oath and settle it.

MR. RANEY: Were not a number of the resolutions that were adopted by the Committee since this session began with reference to matters that arose prior to the last fiscal year?

THE CHAIRMAN: Nothing except what follows up last year. You were not present at the close of the last session; several members on both sides of the House asked what was going to be done about highways and the Treasurer made the statement an audit was being made and that would be submitted at the first meeting of this session. Now that audit is complete. That perhaps does extend beyond last year's accounts.

MR. RANEY: Why does a mere statement put those matters in a different category from the matter referred to by Mr. Sinclair.

MR. PRICE: Because members were present—

MR. RANEY: I don't want to ask you.

THE CHAIRMAN: I don't want to state an opinion. I can only state the facts to you, because you were not there. Several times last year this Committee, motions were made that they should go into the Highways Department and we overlapped the Highways Department in connection with one or two items we had investigated, so much so that Mr. Biggs appeared before the Committee and made a statement and said he was prepared to appear again in connection with any other matter in connection with his department, and I think it was the last session, one gentleman said, what about this Highway matter, and the Treasurer said an audit is being made, and explained the transactions of the Highways Department were of such enormous volume it would be impossible to get the result of that audit for some months. Now I think these motions that have been passed to-day, the only ones that go beyond what you suggest, are those relating to that, and they arise out of what was promised last session.

MR. BELANGER: Regarding what the Treasurer has said, that nothing regarding past year transactions should be brought unless new evidence was available, is it not a fact that a number of things that were investigated were left unfinished by the Public Accounts Committee last year on account of certain witnesses not being available, for instance—

MR. RANEY: For instance, Haney.

MR. BELANGER: For instance Mr. Haney; for instance Mr. Mason. He would have been an excellent witness before the Public Accounts Committee had he not left at the very point where he became an interesting witness. But he happened at that particular point, after making his confession that he left the country.

THE CHAIRMAN: You mean Matthews; you said Mason.

MR. BELANGER: I mean Matthews.

MR. SINCLAIR: He means Mason was not here.

MR. PRICE: Mason was a witness and was at the trial of Matthews.

MR. SINCLAIR: I asked for information last year before Mason and Matthews dug out.

MR. BELANGER: So that those two were material witnesses to those transactions. Mr. Smith and Mr. Matthews were not available, and it is a known fact to this Public Accounts Committee and to the Legislature and Province at large that they are two material witnesses. Therefore, taking the criterion

of the Provincial Treasurer that anything that was left unfinished last year, if new evidence is now available, proper evidence, then this Public Accounts Committee has proper material to open up the question again, so I think there is just in that particular reason there is ample justification for Mr. Sinclair's motion.

MR. PRICE: Of course, Mr. Belanger, you know that when Mr. Matthews was brought back here, that his solicitor wrote a letter to the Attorney General and the Attorney General answered it saying if Mr. Matthews has any statement to make, then fixing the time on two or three occasions he would be very glad to hear any statement he had to make, to bring his counsel, and Mr. Matthews did not come although that day was set several times.

MEMBER: Quite right.

MR. PRICE: And Mr. Mason was here as a witness; he gave a statement to the Crown. The Crown had his statement. It was placed in the hands of Mr. Tilley, who was prosecuting, and while he did not give evidence the Crown had his statement. So that all those matters as far as that is concerned were dealt with.

MR. BELANGER: Surely the Treasurer is not going to take away from the Public Accounts Committee the right of getting Mr. Matthews before it by simply stating Matthews refused to make a statement, and made a statement to the Crown which is not available and which is not under oath and on which he was not cross-examined by this Committee, which is the committee interested in the motion. I may say further, that in the course of this Committee, it is very likely that Mr. Pepall, another very interesting witness, will be available who was not available last year, and those are very material witnesses which put the case in a different light from what it was last year. So I think, taking the Provincial Treasurer's own criterion, I think there is ample justification for this motion.

MR. CLARKE: I am a little surprised at the opposition that the Honourable the Provincial Treasurer has taken. I pressed last year that the Government and the Committee and the members of the House, if I may say so, were anxious to discover and clean up everything we possibly could as to those charges—and we will call them the Toll Gate charges, just so as to understand them. I think it was apparent to every member of the Committee that was on the Committee last year at the end—and you must remember this was the last question that was up when the Committee what I call adjourned. We had testimony in reference to Mr. Haney as you will remember which was never properly cleaned up. He did not give proper evidence, and—when the Chairman and the honourable the Treasurer get free—

THE CHAIRMAN: I give you my whole, undivided attention.

MR. CLARKE: You can talk after I get through, or he can talk to you.

THE CHAIRMAN: I am sorry; you have the floor.

MR. CLARKE: Now the point I wish to make—why I appeal to the reason, the manly sense of every member of this Committee. Why should anything be put to stop this investigation? What reason is there for it? Why, Mr. Chairman, all over this Province, this ventilation of the unfortunate circumstances of Peter Smith defalcations—that is putting a mild word probably. It is in everybody's mouth out and about the city. Now if this can be cleared up why shouldn't it be cleared up. I remember what the Treasurer said, that the Premier intimated that something about that any future investigations would have to be brought as a special matter by some private member making a charge—

HON. MR. PRICE: I think he said this on this matter.

MR. CLARKE: I think he had this in his mind; yes, I agree with you. But he didn't say it in any other matter. He probably had this in his mind as you say. I remember this matter. He did say that. Why he should say it in this particular matter I don't know. It was never coupled with anything else, but if understand, or understand the object and the purpose of a Public Accounts Committee, it is to investigate all these charges in connection with all business affairs of the Province, particularly anything that looks like irregularities, I think.

HON. MR. PRICE: Will my honourable friend just say why these witnesses last year, Clarence Smith—why were these witnesses not brought last year—Clarence Smith and so on?

MR. CLARKE: That is the easiest thing to answer.

HON. MR. PRICE: There was no attempt to bring any of them.

MR. CLARKE: I can give you one—because things have been discovered since then that we didn't know anything about.

HON. MR. PRICE: Why don't you state them?

MR. CLARKE: You want me to just open up all this thing then you can bluff it and bat it around the House. We are at stake. Mr. Sinclair is at stake.

HON. MR. PRICE: Not by way of moving a motion.

MR. CLARKE: Well, he is at stake. He isn't fool enough, I think, to bring in a resolution of that kind unless he has some substance behind it.

HON. MR. RANEY: He is a member of the Committee.

MR. CLARKE: He is a member of the Committee, is an honourable member, and surely he has that right. But what harm can come, what possible harm can come to this Province, what possible harm can come to anybody except the guilty parties that we may discover under this examination—no harm at all. The very technical fact that this did not occur last year and you cannot go back of last year without an order of the House—it is a technicality. I would be sorry to think there was a Government in this Province, now or ever had been or ever will be that would take advantage of a technicality of that kind on a case where it is so clearly, so bright, that somebody has gotten money that they are not entitled to, in other words stolen it from this Province?

MEMBER—Is that a charge?

MR. CLARKE: In conclusion, if the Government sees fit, if the Government sees fit to say "no, we won't open this any more," I suppose with the great majority behind them we will have to stand by it. All I can say, Mr. Chairman, the responsibility is on the Government. We have done our part, are prepared to go on and do our part. If we fail, all right; we will say we have failed. But we do not believe we will fail, if we get a proper show and a proper opportunity to put this before the Committee.

HON. MR. RANEY: The Treasurer's announcement is so startling and so far reaching that I am going to venture a suggestion to him. If this question goes to a division as matters stand now it is quite obvious it will be treated as a party question, and we shall have the country commenting on the fact, on that fact, that this matter was not treated as an open question before this Committee but was treated as a party question, and that the Government used its great majority just to do as it pleased in this Committee. My suggestion to the Treasurer, and I hope my honourable friend Mr. Sinclair will agree, is that instead of having a division on this subject to-day, that he let the matter stand over until the next meeting of the Committee and confer with the Government.

THE CHAIRMAN: What you suggest is that it stand as a notice of motion to come up next time?

HON. MR. RANEY: Yes.

MEMBER: I was going to suggest that.

HON. MR. RANEY: I was going to have in fairness to all members the deliberate action of the Government on this matter because it may very well be in his announcement before the House that the Prime Minister did not have it in mind that a motion of this kind would be made before the Committee, and if Mr. Sinclair will consent I will venture to make that suggestion.

HON. MR. PRICE: I don't want the Committee to feel in any way that the Government or any member of the Government feels that if there is anything to investigate or any light to be thrown on this question that we are not prepared to go into it. What I am saying is this, that the Prime Minister indicated that if there was anything that honourable members had after the investigation last year and after the discussion of this, the discussion in the House, then they could bring it to the attention of the Prime Minister or the Government, and in a specific way. Therefore, I don't think that it is the function of this Committee, after the matter has been discussed fully in the House to overrule practically what the House did. I am quite satisfied to allow the matter to stand until the next meeting of the Committee for the purpose of bringing it to the attention of the Prime Minister.

THE CHAIRMAN: If we have the machinery and power to produce the attendance of those witnesses we cannot possibly get them for next Wednesday, some of them anyway, they are not the matter on which the Prime Minister made the expression. This covers more than that. Will it not answer the purpose of everyone, if, perhaps varying Mr. Raney's suggestion slightly, that it be allowed to stand as a notice of motion to come up Wednesday, or the first meeting of the Committee. You suggested?

HON. MR. RANEY: The next meeting whenever that may be.

MR. SINCLAIR: The opinion of the Government has already been expressed by the Honourable Treasurer here this morning. There is no object in conferring with the Government on this. The Treasurer says the Prime Minister made his statement on the floor of the House in relation to this very matter. He was speaking about this matter and what he said applied particularly to it. I put the motion before you this morning, and as you know, members of the Committee know, the House is likely to rise two weeks from yesterday; that leaves a very short time if the motion carries to-day to take the necessary steps to get these two or three witnesses particularly before this Committee, and with every regard for what the honourable member for East Wellington here says, I do say that this Committee should decide this morning whether we are going to have these witnesses or whether we are not, because I have to make preparation myself, know what is to be done, take all the steps necessary to get them here, and there is no time to lose.

THE CHAIRMAN: Mr. Sinclair, what you say is perfectly right. If these witnesses are coming you should have every opportunity. Mr. Raney, would you feel like taking the responsibility of moving by way of amendment that this be treated as a notice of motion?

HON. MR. RANEY: No, I don't think I would like to do that.

MR. MCKEOWN: I will move by way of amendment, that this be accepted as a notice of motion to be settled at the next meeting of the Committee.

MR. MCBRIEN: I will second it.

MR. SINCLAIR: Speaking to the amendment, I don't know where my honourable friend gets the precedent; he is supposed to be a lawyer, and I think—

MR. McKEOWN: If a lawyer cannot get a precedent he is no good as a lawyer.

MR. SINCLAIR: And sometimes the poorer the lawyer the more precedents he is looking for. What I want to say is, I have sat on these Public Accounts Committees, I think, every year since I have been a member of the House. The practice is well defined, that a motion is brought in for the production of certain witnesses, certain vouchers or anything any member wants to bring before the Committee, the practice is to vote on that motion. We don't have anything of the kind known as notices of motion in a Public Accounts Committee. There is no doubt about that. There is nobody can bring in any argument in favour of turning this into an amendment, and an amendment such as is proposed here is virtually a vote against the motion.

MEMBER: Not at all.

MR. SINCLAIR: You might just as well vote against it and settle it as put it on as a notice of motion and bring it up next week, when it is absolutely impossible to carry out what I have in mind. Therefore, I say, now is the time to settle this question. Now is the time to decide and vote on this motion, and there is no ground in law or the practice of this Committee to turn it into a notice of motion by way of an amendment.

THE CHAIRMAN: Are you asking me to rule on that? I will rule. You are quite right to this extent, that a notice of motion here is not necessary; it has not been the practice, but it has also been the practice in a deliberative body that when a motion is brought out that requires consideration, that it is a very proper amendment to make such as that, and I think it is following a very good suggestion of the Progressive leader.

MR. BELANGER: The amendment could perhaps take the form that the motion stay on the table until next meeting, but you cannot force the motion of the honourable member and no deliberative assembly will force it into a notice of motion, changing its character. The motion will be to lay it on the table.

THE CHAIRMAN: I am not suggesting we change it at all. Mr. Raney's suggestion was that it should stand over, then I asked Mr. Raney if he would agree to do that; he did not agree to take the responsibility of going that far, although he thought it was proper. Then Mr. McKeown moves by way of amendment that Mr. Sinclair's motion stand on the table in lieu of notice and it come up for discussion next meeting; in the interval Mr. Raney's suggestion can be acted upon, that the Government may care to take some action.

MR. RANEY: You will recall I made the suggestion distinctly on the condition that Mr. Sinclair consented. Now, as he doesn't consent, I am not going to attempt to interfere with his motion.

MR. McKEOWN: I will assume the responsibility.

MR. RANEY: I just want to explain I will vote against the amendment for that reason.

MR. SINCLAIR: You say, let us confer with the Government —

MEMBER: No, no, I don't —

MR. SINCLAIR: Well, that is the object.

HON. MR. PRICE: It is a matter that has been discussed in the Legislature. There was a vote on it.

MR. SINCLAIR: It won't take five minutes to see the Prime Minister. He is in the buildings now. Anyone can go. It should be done and you can

take your vote and have this disposed of. I must say if the Chairman persists in a ruling of this kind I will be obliged to appeal against the ruling of the chair. I will appeal against the ruling of the chair.

THE CHAIRMAN: That is right. You have that right to do it.

MR. MAGEAU: What is the ruling of the chair? What is the point now? If I understand the chairman has already declared practically the amendment of our good friend practically out of order. This notice of motion is practically out of order.

MR. McKEOWN: That it stand.

MEMBER: Well, perhaps he has not just used such terms. There is no rush, why not leave the matter in abeyance for a short time —

THE CHAIRMAN: Well, on an appeal from the chair there is no discussion.

HON. MR. RANEY: Surely there is no need for appeal. There is no doubt at all Mr. McKeown had a right to move that this motion be tabled until next meeting. Treat it in that way and don't let us have a division.

THE CHAIRMAN: Mr. Sinclair has the right to appeal from the chair.

MR. SINCLAIR: Yes, I have good authority right in the information the Chairman has given.

THE CHAIRMAN: You have no right to discuss it. We will get rid of it as rapidly as we can. The question is a motion by Mr. Sinclair and Mr. Clarke, that these gentlemen, Clarence Smith, S. Casey Wood, K.C., M. J. Haney, R. P. Gough, Peter Smith, Charles A. Matthews, and J. T. White, be summoned to appear before this Committee on Wednesday, the 1st day of April, 1925, to give evidence regarding commissions paid by the Home Bank to any party or parties upon the sale of provincial securities of September 23rd, 1919, as referred to in the evidence and report of the Standing Committee on Public Accounts, 1924, and to produce before the Committee all books and documents in their possession or power relating to the same.

By way of an amendment Mr. McKeown moves, seconded by Mr. McBrien, that this motion be not considered until Wednesday—

MR. McKEOWN: Or the next meeting of the Committee.

THE CHAIRMAN: Until the next meeting of this Committee.

MR. CLARKE: I haven't spoken on the amendment.

THE CHAIRMAN: Well, you can't speak on an appeal from the chair.

MR. CLARKE: If you go through with this and it goes over another week, there is just a week until the House adjourns, you can't get on with this at all.

THE CHAIRMAN: Mr. Sinclair has objected to my ruling supporting Mr. McKeown's amendment; the question is, shall the chair be sustained? All those in favour of the sustaining of the chair will say aye.

MR. SINCLAIR: Take the poll.

THE CHAIRMAN: Won't you be satisfied with a stand?

MR. SINCLAIR: No.

HON. MR. PRICE: Take a show of hands.

MR. SINCLAIR: I want the record of this Committee and I think I am entitled to it.

MR. CHAIRMAN: I think he is entitled to it. The question is, shall the chair be sustained. As the names are called out all those in favour of sustaining the chair will say yes; all those in favour of sustaining the appeal will say no.

THE CLERK: The yeas, 19; the nays, 8.

THE CHAIRMAN: The chair is sustained. The question is on the amendment. Moved by Mr. McKeown, seconded by Mr. McBrien, that the motion

made by Mr. Sinclair, seconded by Mr. Clarke, remain over for consideration until the next meeting of this Committee.

MR. BELANGER: In order to deal intelligently, may we ask the mover of the amendment if he has any reason of any kind to allege in order to help us to vote intelligently on or against this motion?

MR. McKEOWN: I have in the first place the reason I assigned when I spoke as to the motion. I say my own opinion is that this Public Accounts Committee has apparently no jurisdiction to go into the question at all unless it gets special privilege from the Legislative Assembly.

MR. RANEY: No.

MR. McKEOWN: We may go into it and unless there is something which can be produced there is nothing in the motion affecting the Public Accounts of this Province from start to finish. There is not one word in the motion touching upon any item in the finances of the Province of Ontario. For that—

MR. BELANGER: Then what is the idea of waiting until next meeting, may I ask the question?

THE CHAIRMAN: Are you satisfied to have Mr. Belanger ask it?

MR. McKEOWN: Oh yes, I do not care how many.

MR. BELANGER: May we ask why it is you would rather have the decision carried over until next meeting instead of having the decision come now?

MR. McKEOWN: There may be a possibility that the House will give to this Committee that jurisdiction and that authority which it has not got.

MEMBER: Hear, hear.

MR. McKEOWN: And if it does, then we can go on and make an investigation right within our authority, but as it stands now we are trying to bark up some tree and we don't know whose tree, but we are dead certain it is a tree belonging to the Legislative Assembly.

MR. CLARKE: There is a coon in that tree.

MR. McKEOWN: Yes; at least there is said to be, and our friends seem to know.

MR. CLARKE: I do.

MR. McKEOWN: But the coon has nothing to do with these Public Accounts of the Province of Ontario, and they haven't suggested even yet that it has.

MR. WIDDIFIELD: Mr. McKeown says that a lawyer who cannot find a precedent is not a good lawyer. Apparently he has not done casting about for precedents in this case. He makes the statement that there is no suggestion of anything that has to do with the Public Accounts of this Province. Now, so far as precedents are concerned, I think I can bring some to his attention and I am prepared to do it if he thinks there are none, but I just want while I am on my feet—I know we are going to be outvoted and perhaps not going to have fair play—

THE CHAIRMAN: Please withdraw that.

MR. WIDDIFIELD: I am prepared to do that, but I want to emphasise what has already been said. I want myself on record that I entirely differ from the policy of the Government. It may be a matter of policy that we will have to discuss.

HON. MR. PRICE: It is the policy of the House.

MR. WIDDIFIELD: Well, policy of the House as carried through by the tremendous majority of the Government.

HON. MR. PRICE: You are asking the Committee to reverse a vote in the House.

MR. WIDDIFIELD: All through the Budget debate, and it has come up in nearly every speech in the House, emphasized the position that a charge must be made before there can be any investigation. As a matter of fact there was no charge when investigation was instituted last year. The Government on its own initiative, because there were requests for investigation, took it on itself to institute that investigation and that investigation was carried through. And I remember distinctly the Provincial Treasurer saying he had no suspicions in the case of one member who has been mentioned this morning who is not with us, and when the question was brought up he had no thought that the investigation would lead to where it did go; he thought the investigation of the Committee would show to this House and show to the Province that there had been bad business. I remember that distinctly.

HON. MR. PRICE: That is what the Public Accounts Committee is for. You don't expect to get information that anyone has stolen the money. You maybe expect bad business once in a while.

MR. WIDDIFIELD: You didn't think of making a charge on the floor if you took that position; if you thought possibly there was a chance of proving poor business there was no necessity for a charge, in fact it was the Government's business, and you properly took it on yourself to make that investigation. Now the question is the same way. We know there has been some bad business and maybe some irregularity. We have evidence that \$25,000 has gone wrong. Now you know, the Chairman and the Treasurer knows, and this Committee knows, we did not get far enough with that investigation a year ago. I am not going to make a charge against the Government specifically. I am opposed to these charges, in fact. But we know this in fact that some way or another winding up of the business of the legislative session a year ago was pretty well timed. At least it was contemporaneous with the close of the investigation of the Committee. Now it is impossible to carry on investigation without tremendous expense to the country, and there was the understanding, I may say, whether it was stated or implied, it was the understanding, I know, of this Committee, of the majority, that that investigation would go on, and that is what I am asking for, and I want to protest again against the charges that have been made the policy of the Government, that the investigation should only be made arising from a charge of some member of the Committee. It is going out to the country, if we don't have an investigation, the country is going to know about it on the division of this Committee.

THE CHAIRMAN: Any other discussion?

MR. CLARKE: We haven't got rid of the amendment.

THE CHAIRMAN: Well, I am asking you.

MR. SINCLAIR: In this Committee you can talk forty-four times.

THE CHAIRMAN: Seventy times seventy.

MR. SINCLAIR: What I wanted to say in relation to what my friend Mr. McKeown says, in regard to the consent of the House. The House cannot deal with this matter at all if the amendment is carried. It remains with the Public Accounts Committee. The only way in which this can get to the House is for this Committee to negative my motion, refuse me what I have asked here, and then I would have the right to make a motion on the floor of the House that the Public Accounts Committee be authorized and instructed to proceed with this. I would just like to place my honourable friend right on that point.

MR. McKEOWN: You are quite wrong—

MR. SINCLAIR: That it has no chance to get to the House at all unless it goes up by way of a refusal of this Committee. Then he says it should not be

introduced unless with the consent of the House. I just state again what I said before. It is putting this matter off a whole week and leaving us within a week to the close of the Session.

THE CHAIRMAN: The question is on the amendment. The amendment is by Mr. McKeown, seconded by Mr. McBrien, that the motion of Mr. Sinclair and Mr. Clarke remain over for consideration at the next meeting of this Committee. All those in favour of this motion will hold up their hands.

THE CHAIRMAN: The amendment is—

MR. SINCLAIR: Poll the vote.

THE CHAIRMAN: The Committee will be polled. All those in favour of the amendment will say yes; all those opposed to the amendment will say no. The amendment was declared carried by 19 to 10.

HON. MR. RANEY: Moved by myself, seconded by Mr. Lethbridge, that Mr. E. C. Drury be summoned before the Committee for Monday next in the matter of the sale of \$10,000,000 of Ontario Treasury Bills to Mr. Douglas K. Ridout in April, 1923.

And then I just want to add this: at the same time I will myself appear as a witness before this Committee and submit to examination in this same matter and in any other matter connected with the administration of any department of the Government during the years when I was a member of the late administration—subject only to this, that forty-eight hours' notice be given to me of matters other than the Ridout matter with respect to which members of the Committee may desire information from me.

THE CHAIRMAN: Of course, you name a specific date. Everybody will agree that Mr. Drury, not being here and not a resident of Toronto, we should consult his convenience.

HON. MR. RANEY: I fixed that date because I want forty-eight hours' notice of any other matters that I am to be examined on.

MEMBER: What date?

HON. MR. RANEY: Thursday next. If it cannot go on then it will go on next date, I suppose.

HON. MR. PRICE: I think if you leave it blank we can arrange a day.

MR. SINCLAIR: Next meeting.

HON. MR. RANEY: No, next meeting is too soon.

HON. MR. CARR: I thought Mr. Drury said he was going to appear on his own accord.

HON. MR. RANEY: I want him to be regularized; this is regularizing him.

THE CHAIRMAN: The only thing that strikes me in connection with it, if Mr. Drury comes he should submit himself to examination on anything and not this matter alone.

HON. MR. RANEY: That is for the Committee to say, not for me.

THE CHAIRMAN: Everyone knows what Mr. McGarry's attitude was: "I am here to answer any question at any time." I suppose Mr. Drury will take the same—

HON. MR. RANEY: Well, I would expect so. Mr. Drury and I only discussed one matter, and it is the only one stated in this. I expect him to take the same attitude as I am taking. I am willing to answer any question relating to Government in my administration.

THE CHAIRMAN: What you mean is, personally you take that attitude and you don't know what attitude Mr. Drury will take.

HON. MR. CARR: Why not amend the motion, say that Mr. Drury will come as Mr. Raney said.

THE CHAIRMAN: I would think that Mr. Drury should have to submit to cross-examination and it would be manifestly unfair that he should submit to cross-examination on matters on which his memory is hazy.

HON. MR. RANEY: He ought to have notice of things he is to be examined on.

THE CHAIRMAN: The Committee are not subpoenaing him. He is here voluntarily. That is the effect of it anyway, and the Committee will want to treat him fairly. If nobody else will see to it, he is my constituent and I will see he gets fair treatment. It should not be any matter of surprise, but on the other hand there should be an opportunity to examine him freely and fully.

MR. BELANGER: How would it be to change that motion and add to it, "and any other matter on which he shall have had forty-eight hours' notice."

MEMBER: No, I don't think that is right.

HON. MR. PRICE: I think Mr. Raney announced in the House that he and Mr. Drury were coming before the Committee, I suppose for a specific purpose of what you mentioned in the House. I think they ought to have an opportunity of making any statement they want to make and if there are any matters arising out of it I suppose they will be given time. I don't think the Committee wants to treat them unfairly.

THE CHAIRMAN: Well, is it fair to put it this way, perhaps. That this motion will be passed and the subpoena will be sent to Mr. Drury by mail. There is no occasion for any other service in his case, anyway, and he will attend, and if he feels that he wants an opportunity to fresh his memory about anything he will be given that.

HON. MR. RANEY: A better plan will be for any member of the Committee who desires to ask him about any other matter to communicate with him as soon as possible, forty-eight hours before.

MEMBER: I don't think—

HON. MR. RANEY: Well, let it go. There may be nothing at all, and there is no good striking a fence until we come to it, but we want to be fair to him and I appreciate your position.

MR. MCKEOWN: We might ask him questions that he might answer without hesitancy. We might ask him questions that he might say that is a matter I wish to refresh my memory on and he will be given plenty of time.

THE CHAIRMAN: With that understanding, the motion is moved by Mr. Raney, seconded by Mr. Lethbridge, That Mr. E. C. Drury be summoned before the Committee for Thursday next in the matter of the sale of \$10,000,000 of Ontario Treasury Bills to Mr. Douglas K. Ridout, in April, 1923.

MR. FISHER: I suppose that is in order.

THE CHAIRMAN: Well, if anybody wants to be technical, the chairman of the previous government ruled that you could not go back of the year's Public Accounts. Now I don't want to take that technical attitude. That was the attitude of the last Government, and if anybody—

MR. SINCLAIR: That emergency is past.

THE CHAIRMAN: It has never arisen as far as I am concerned.

MR. SINCLAIR: Half-an-hour ago.

MEMBER: Read over the motion.

Carried.

MR. BELANGER: I would like that Mr. Raney's statement should go on the records, if he would be kind enough to submit it, Mr. Raney's statement as to his own position.

THE CHAIRMAN: I suppose the reporter took it down. Have you any other motions?

HON. MR. RANEY: Yes; moved by myself, seconded by Mr. Kemp, That the Provincial Auditor be summoned before the Committee for its next meeting to answer questions concerning the general scope of the activities of his office since he became Auditor.

What I have in mind is, the Act requires the Auditor to audit not only all expenditures, but all receipts, and I think this Committee would like to know why it is, as I have seen in the newspapers and I have heard the same thing on the floor of the House that there are certain departments of the Government that never have been audited, particularly as to receipts.

THE CHAIRMAN: (Reads motion). Any discussion? Carried.

THE CHAIRMAN: Any other motions?

HON. MR. PRICE: If there is no other business, I asked Mr. Nash to come here this morning on the additional audit of the Provincial Securities Co. I think he is prepared to go on and give evidence, and it would shorten it, as we probably haven't any too much time, it would shorten the work. I will call Mr. Nash.

Mr. A. E. Nash called; sworn; examined by Mr. F. G. McBrien:

Q.—You were authorized on the 17th of April, 1924, to look into the books of all the Harris Companies, which did certain business with the Government in connection with the purchase of certain bonds?

A.—Yes, that is right.

Q.—Well, there were five companies, were there not, in which Harris was interested?

A.—There were six companies altogether.

Q.—Well, you started with the Morgan, Dean & Harris Co.?

A.—There was the Morgan Dean, Harris Co., not incorporated, which transacted business approximately from September, 1917, to June, 1920. The partners of this company being W. F. Morgan Dean and George R. Harris. Following that company the Morgan Dean, Harris & Mulveney Co., Limited, operated under charter dated 14th of April, 1920, and continued active operations until May, 1921. The directors of that company were W. F. Morgan Dean, George R. Harris, William Mulveney, T. W. Hand, and L. F. Stephens, and George Townsend.

Q.—Was Mr. Biggs a shareholder in the company?

A.—Mrs. Beulah E. Biggs was a shareholder in that company.

Q.—Is that the wife of the ex-Minister of Highways?

A.—I understand so.

Q.—How many shares did she hold?

A.—One hundred shares common and 100 preferred.

Q.—Par value, how much?

A.—\$20,000; consideration paid, \$10,000, according to the records.

Q.—And Mr. Biggs invested \$10,000 in this company through his wife?

A.—Mrs. Beulah Biggs.

Q.—And the others?

A.—The next company was Browning, Harris, Northey & Co., not incorporated, which operated May 1st, 1921, to the 22nd of March, 1923. The partners were Arthur G. Browning, Beth B. Harris, that is the wife of George R., and Robert F. Northey; following that Browning, Harris & Co., from March 23rd to September 23rd, the partners being Arthur G. Browning and Beth

Harris; and following, Browning, Harris, Denman & Co., Limited, incorporated in September, 1923, the directors of which—A. G. Browning, president; George R. Harris, vice-president and secretary, and R. L. Denman, sales manager. The sixth was the Provincial Securities Co., which operated from February, 1921, to September, 1921, and in which company we have not been able to discover any partners or any other individual interested, except Mr. George R. Harris, that is interested as owner.

Q.—Mr. Harris, in giving evidence regarding the Provincial Securities, swore under oath, page 737 of the Public Accounts of last year,—

“Q.—The money that you made out of the Provincial Securities, deposited in the Bank of Toronto, you bought bonds of various kinds with that—the whole profit you bought bonds with?”

“A.—Practically all.”

“Q.—And the bonds cannot be traced. Now, to whom did you give the bonds?”

“A.—I kept the bonds myself and gave some of them to my wife.”

“Q.—Those various bonds, amounting to \$31,000?”

“A.—Whatever it was.”

“Q.—The profit out of that Provincial Securities account, you kept some of them yourself and gave the balance to your wife?”

“A.—As far as I remember.”

Q.—Now in your investigation as to this \$31,000, not the gross profit, but the net profits which Mr. Harris admits he made out of this company, did you make any investigation as to it?

A.—Yes, Mr. McBrien, I did. Prior to the rising of the Committee last year we produced an exhibit, number 192, in which we outlined, gave a list of the bonds purchased by Provincial Securities through the Bank of Toronto and apparently not sold by the Provincial Securities, or, as we stated, unaccounted for in the accounts of the Provincial Securities. These bonds consisted of Grand Trunk Pacific 4 per cent. 1955, par value 500 pounds; City of Moose Jaw, Saskatchewan, 4½, 1950's, 200 pounds; City of Edmonton, 5 per cent. 1923's, 600 pounds; City of Edmonton, 5 per cent. 1953's, 200 pounds; City of Winnipeg, 6 per cent. 1950's, \$16,000; Alberta & Great Waterways, 5 per cent. 1959's, \$10,000; and Saskatchewan, 6 per cent. 1936, \$4,000; that was a total par value of \$37,300 worth of bonds and those are the bonds upon which Mr. Harris was questioned and in connection with which he gave the answers that you have just read.

Q.—Then that leaves a discrepancy?

A.—\$37,300 of bonds unaccounted for at that time. We investigated the Harris Companies further and the bank accounts of George R. Harris and of Mrs. Harris. We found that certain bonds purchased by Provincial Securities out of the profits made by them through the sale of bonds of the Ontario Government appear at a later date to have been sold to Browning, Harris, Northey & Co. by persons other than George R. Harris, indicating that in some way the bonds had left the possession of Provincial Securities Co. and found their way into the possession of the new vendors. We have not been able to trace the procedure by which the bonds went from the hands of the Provincial Securities into the hands of the new vendors. It was not possible to follow the transactions from the books of the Harris Companies as most of the ledger sheets and other records of Browning, Harris, Northey Co., covering these particular transactions were missing. Among the books of the Browning, Harris, Northey Co., however, was the Security Day Book, which set out the purchase and sale of

bonds made by that company from day to day. In most cases the name of the vendor was given in this book and from that we were, therefore, enabled to determine in those cases where the name was given, who sold the bonds to Browning, Harris, Northey. We found that this company, Browning, Harris, Northey & Co., purchased from the Hon. F. C. Biggs certain bonds of the same issues and the same maturities as those bonds which Harris was unable to account for in the Provincial Securities account. Following this it was necessary to determine, if possible, whether these bonds were the same bonds that the Provincial Securities purchased out of their profits. I have stated before they were the same issues and the same maturities. We now directed our efforts to find out whether they were the same bonds and in order to do this it was necessary to examine the bank records in Hamilton, showing the deposits and release of bonds from the Harris Companies, and to obtain from the brokers who had originally sold these bonds to the Harris Companies the numbers and descriptions of the bonds. We have not been able to trace the whole of the bonds unaccounted for in the Provincial Securities, but we have been able to trace certain of the bonds unaccounted for as being the same bonds, same blocks of bonds, that Mr. Biggs sold later to the Browning, Harris, Northey Co.

Q.—Couldn't you identify them by the Biggs' ledger sheets?

A.—We had no Biggs' ledger sheets, Mr. McBrien. They were missing from the Harris books.

Q.—Were there any other ledger sheets missing besides them?

A.—I would not like to say there were not. We could not discover that because we could not balance the books on account of so many sheets being missing. I don't know whether there were any others missing or not. I would not like to say there were not.

Q.—What would these items amount to? Could you give us some details as to these bonds that were juggled around amongst the different companies? In connection with these bonds, every transfer was from one of the Harris Companies to another, was it not?

A.—Well, in a great many cases it was, Mr. McBrien. The Provincial Securities came into possession of these bonds in this way: Morgan Dean, Harris and Mulveney, Ltd.,—that is the second named company of Harris, purchased these bonds from Toronto brokers, in some cases from New York brokers, and paid for those bonds and took possession of them, according to their books, and then, the following day in many cases, in some cases the same day, the bonds were transferred from Morgan Dean, Harris and Mulveney Co. through George R. Harris, who in some instances, signed the release to the bank to transfer to the Provincial Securities, and that is as far as we have been able to get from that point. They were bought, therefore, by the Provincial Securities and appear to have been unsold by the Provincial Securities, so they were really purchased in the first place by Morgan Dean, Harris, Mulveney for Harris for the Provincial Securities; they went through the three hands, and they landed in the Provincial Securities and stayed there. Those are the bonds that I refer to that were unaccounted for.

Answering your previous question, Mr. McBrien, the total market value of bond purchased from F. C. Biggs of the same issues and maturity at the present moment, without tying the numbers up, amounted to \$25,751.77. To make that clear, Browning, Harris, Northey & Co. purchased during May to September, 1921, \$25,751 of bonds from F. C. Biggs of the same issues and maturities as the bonds that the Provincial Securities and Harris have not accounted for. They consisted of \$4,000 par value, Saskatchewan; \$8,000 of

Winnipeg; 500 pounds of Grand Trunk Pacific; a further \$5,000 of Saskatchewan, and a further \$8,000 of Winnipeg.

Q.—How can you identify the Biggs bonds with the Provincial Security bonds?

A.—Well, we have not definitely identified them. What we have done is this. Take the one case for instance: The Province of Saskatchewan bonds on the 21st of June, 1921, George R. Harris receives from the Bank of Toronto \$2,000 par value of Saskatchewan bonds; he signs the bank register as having taken those bonds out.

Q.—Yes?

A.—The following day, the 22nd of June, Browning, Harris, Northey & Co. buy \$2,000 of Saskatchewan bonds from F. C. Biggs, and on the same day that company, the Browning, Harris, Northey Co., deposited in the Merchants Bank at Hamilton, \$2,000 of Province of Saskatchewan bonds. Now the records of the bank at Hamilton give the numbers of these bonds, the serial numbers, and on comparing these serial numbers with the serial numbers of the bonds unaccounted for in Provincial Securities, those two bonds are identically numbered.

Q.—And they must be the same?

A.—I am not drawing any conclusions. I am giving you the facts. I cannot say definitely.

Q.—But they are the same series?

A.—They are the same maturities, the same issues, and the same amount.

Q.—And the same serial numbers?

A.—And the same date, the same serial numbers that Browning, Harris, Northey deposited in the Merchants Bank at Hamilton as the serial numbers of the bonds unaccounted for in the Provincial Securities.

Q.—THE CHAIRMAN: So the earmarks are the maturity, the serial numbers, the Province of issue and the dates?

A.—Dates and the amount.

Q.—Dates and the amounts?

MR. MCBRIEN: In connection with those Biggs bonds—you say \$2,000 out of a total of how much?

A.—Well, I have just given you one block.

Q.—Yes, Saskatchewan, originally \$4,000 worth?

A.—But I was giving you one part of the parcel.

Q.—You could trace only one-half?

A.—I traced others, but not as definitely. In this particular case—it is a little confusing; it has taken me a long time and I am familiar with this sort of thing—it is difficult to understand. Harris had in the Provincial Securities Saskatchewan bonds which were apparently not sold and which he said in his evidence were part of those that he gave to his wife or himself. I am quoting his evidence now. We find that those bonds were purchased from a firm of Toronto brokers and a firm of Toronto brokers had supplied us with the serial numbers. Now then, on the 21st of June—this is perhaps repeating it; I want to make it very clear—George R. Harris goes down to the Bank of Toronto and takes \$2,000 of these Saskatchewan bonds and signs for them, and on the following day his company in Hamilton buys from Mr. Biggs \$2,000 of the same issues and the same maturities and on the same day deposits them in the Merchants Bank, and the Merchants Bank supplied us with the numbers, which correspond to the numbers that were supplied to us by the brokers in Toronto. That is the story of the \$2,000.

MR. KEMP: Could you tell us whether there is a cash transaction in that case. You say Mr. Biggs sells them, you say \$2,000 worth. Is there any record as to the cash actually turned over in the transfer of these bonds?

A.—Well, the cash sheets and the ledger sheets of that date in connection with Mr. Biggs' account are not amongst the books of the Harris Company, so the only thing we have to go on is a day book recording the purchase, and it doesn't say whether they were paid for in cash or what way. We could not go further because the records are missing. The entry, for the edification of the Committee, is on page 50 of this book, which is called the Securities Day Book of the Browning, Harris, Northey & Co., and the entry is number 162: "Bought from F. C. Biggs, West Flamborough, Ont., \$2,000 Province of Saskatchewan 6 per cent. bonds, 1st of February, 1926, at 97 with accrued interest, total purchase value being \$1,986.68."

MR. McKEOWN: What is the date of that?

A.—June 22, 1921.

THE CHAIRMAN: June 21—that is the day that—

A.—Day that Harris withdrew these bonds from the Bank of Toronto in Toronto.

THE CHAIRMAN: Harris withdrew them from Toronto on the 21st, then the Harris firm purchases them from Mr. Biggs on the 22nd?

A.—Yes.

MR. McKEOWN: The day after; and they were purchased in Hamilton.

THE CHAIRMAN: Yes; records in the Hamilton books?

A.—That is one block of Saskatchewan, Mr. McBrien. I don't know whether you wish me to go on.

MR. McBRIEN: Then there is some Grand Trunk—

A.—Well, there is another block of Saskatchewan; on the 5th of May, 1921, Browning, Harris, Northey & Co. purchased from the Hon. F. C. Biggs Province of Saskatchewan bonds maturing in 1936 to the par value of \$4,000. On the following day Harris' company in Hamilton, the Browning, Harris, Northey Co., deposited with the bank \$4,000 of Saskatchewan, of the same issue with the Bank there and they are of the same serial number as \$4,000 of the bonds purchased earlier by Morgan Dean, Harris and Mulveney from a Toronto firm and passed over through Harris to the Provincial Securities Co. We have no record of any sale by the Provincial Securities Co. to Mr. Biggs in either of the cases. And from the records of Browning, Harris, Northey Co. there were no other Saskatchewan bonds purchased either on or around those dates.

THE CHAIRMAN: Well, Mr. Nash, is this the fair effect: There are two issues of \$2,000 each, Saskatchewan bonds, and you find from the records of the Bank here that Mr. Harris withdrew them from the Bank and signed for them?

A.—I only find Harris withdrew \$2,000. I have not found he withdrew the \$4,000. There is one step missing.

Q.—You have the Harris signature for \$2,000 and there is the \$4,000—\$6,000—and the next step is Harris purchasing, or his firm is purchasing, from Mr. Biggs the same bonds?

A.—Purchasing the same issues and the same maturities.

Q.—Same issues, same maturities?

A.—Same amounts.

Q.—The date corresponds and the Province corresponds?

A.—Yes.

Q.—And in one case the serial number?

A.—In both cases the serial numbers given by the Bank in Hamilton agree with the serial numbers given in the first place.

Q.—The fact is that Harris gets them out of Toronto and in some mysterious way Harris gets them from Biggs and pays for them?

A.—Harris' company.

Q.—And buys them from—what is it?—97?

A.—Slightly below.

Q.—Slightly below?

A.—I don't place any stock—

Q.—The fact is that \$6,000 in some mysterious way is drawn out by Harris here, or securities for that amount, and his company buys that from Mr. Biggs the following day in Hamilton?

A.—I don't want to go quite that far, Mr. Finlayson. Two thousand dollars we know was drawn out by Harris, because he signed. We don't know the \$4,000 was. We do know Browning, Harris, Northey & Co. purchased \$6,000 from Mr. Biggs and we do know they deposited with their bankers the following day \$6,000, the numbers of which tie up with the numbers of those originally purchased from the Toronto brokers.

Q.—They got them out of Toronto, and the following day apparently bought them from Mr. Biggs in Hamilton, depositing them as collateral to their own account?

A.—I assume the arrangement with the bankers there—if they bought any bonds they had to deposit and that is the way we got the numbers.

MR. MCBRIEN: You have traced these in connection with the Provincial Securities Co. which made a net profit of \$37,300. You have traced approximately how much of that profit?

A.—I don't think I can answer your question just in that way, that we have traced that profit. That would be going a little further than I can say. I said Browning, Harris, Northey & Co. purchased altogether from Mr. Biggs \$25,000 of bonds of the same issues and maturities as those bonds that they did not account for. I am not able positively to state that this \$25,000 were the profits of the Provincial Securities. That was why it was necessary to tie up each parcel as I have done. The \$2,000 appears to be the same as the four thousand Saskatchewan appears to be. There were \$8,000 of Winnipeg, City of Winnipeg, in the same class and £500 of Grand Trunk Pacific. As to the rest of the bonds unaccounted for I have not been able to trace any connection direct or indirect with Mr. Biggs.

Q.—Explain what you mean by unaccounted for?

A.—Well, Mr. Harris told us as he purchased those bonds from the profits that he made through selling Ontario bonds to the Ontario Government and we know he made a profit of something like \$32,000 in the Provincial Securities. Now in going to the Provincial Securities Company again you will find he purchased bonds of various denominations and he sold bonds and the bonds that he purchased exceeded the bonds that he sold through Provincial Securities by something like \$37,300 par value. In other words, while the Provincial Securities purchased that \$37,000 of bonds with their profits they do not show in what way they disposed of it, so I say unaccounted for in the hands of the Provincial Securities. Now we have gone to the brokers who sold those bonds, obtained the numbers of them.

MR. MCKEOWN: And you say that of the bonds which were in the hands of the Provincial Securities and the disposition of which they could not account

for, you found that \$25,000 of those particular bonds were subsequently purchased from Mr. Biggs?

A.—I cannot go quite that far to be fair. I say that Mr. Biggs sold \$25,000 of the same issue and maturities, but until you get the serial numbers tied up I cannot positively state.

Q.—And it is only right to be fair! But they got the serial numbers, signed by Harris, and afterwards purchased—

A.—On some.

Q.—On \$2,000 Saskatchewan?

A.—Yes.

MR. RANEY: I was going to ask to what date the Committee intends adjourning?

THE CHAIR: This is Friday—

MR. RANEY: We can get on on Tuesday, can't we?

THE CHAIR: I don't know.

MR. McKEOWN: Private Bills and the Church Union on Tuesday.

MR. RANEY: Well, Church Union, I don't believe it will take very much time. It might take some time.

THE CHAIR: Well, it might.

MEMBER: Cannot we have an evening meeting on Wednesday?

THE CHAIR: Well, what I thought, Wednesday being the day this Committee usually meets, I thought if we met Wednesday morning and got ahead we might meet Wednesday afternoon, possibly in the afternoon and evening if necessary.

MR. McKEOWN: I think the Agricultural Committee meets Wednesday morning.

THE CHAIR: I don't think the Agricultural Committee—Tuesday morning.

MEMBER: The Municipal Committee is going to meet Wednesday but the committees will have to clash.

MR. RANEY: Just another matter. I know nothing about it. Mr. Biggs, I hear his name being used, and he is being detained, I understand from the Committee, in Hamilton. Now, is it the intention of the Committee to furnish, as I think was done last year, copies of the evidence?

THE CHAIRMAN: It is being suggested that instead of having evidence typewritten and furnishing the leaders of the groups with copies the way it was done last year it might be possible to have the evidence actually printed and supplied to everybody. The evidence has got to be set up some time, and I consulted Mr. Currie as to whether it would not be an actual saving to set the type up at once and have it for the following day.

MR. RANEY: Of course, if you could do that. In any case the leaders will be furnished with a copy?

THE CHAIRMAN: Yes.

MR. RANEY: Knowing nothing about this matter, perhaps it could be arranged that Mr. Nash could be subject to recall in case cross-examination is desired?

THE CHAIRMAN: Everybody would be reluctant to go ahead in Mr. Biggs' absence. If anybody for him wants to cross-examine Mr. Nash in this—

MR. FISHER: He should have an opportunity.

THE CHAIRMAN: Certainly.

MR. FISHER: I rather think we ought to adjourn and give him an opportunity.

MR. RANEY: I would not see any objection to going on as you have started, then if the record was placed in Mr. Biggs' hands it is just as good as if he were here, for cross-examination purposes.

THE CHAIRMAN: I don't want to be unfair; if anybody thinks we should, let us adjourn and get him. But we are going to have work pile up.

MR. RANEY: Well, what I suggest, if I can have a copy, and give Mr. Biggs access—

THE CHAIRMAN: Well, if Mr. Fisher thinks it is unfair, I don't want— He knows these matters were under investigation at the close of the last session. He knows all these various purchases were under investigation by Mr. Clarkson. He furnished us with some vouchers from the bank account and promised to look it up and have it ready and he said at one of the last meetings he had not been able to comply.

MR. RANEY: The only objection I can see to going on would be that perhaps it would be fairer to let the matter go out, if there is any question of fact, to let the cross-examination go out with the examination.

MEMBER: I think that is fair—let the cross-examination go with the examination to the public.

THE CHAIRMAN: You mean to stop.

MR. RANEY: Well, I don't know what the matter is but I heard Mr. Biggs' name mentioned.

MR. MCKEOWN: You know as much as I do. It is new to me.

THE CHAIRMAN: I think everybody wants to be fair to Mr. Biggs, and Mr. Biggs has perhaps had as much notice as anybody else, but at the same time if anybody wants to suggest that it stand over.

MR. FISHER: I rather think we ought to let it stand. He may have had no more notice but it is more serious to him, I think.

MEMBER: This evidence as it is being given now will get out in the papers without a chance of Mr. Biggs having cross-examination.

MR. RANEY: There may not be very much more of this.

THE CHAIRMAN: Well, I understand there is a lot of it. Is it the sense of the Committee that it is unfair to Mr. Biggs that this should be mentioned now without his being present and having an opportunity of immediately cross-examining?

MR. MCKEOWN: What is his excuse for not being present?

MR. LETHBRIDGE: Mr. Biggs told me yesterday they were winding up his father's estate to-day, the executors, and he could not possibly be here on that account.

THE CHAIRMAN: I think every solicitor will agree with this, that it is not the practice of the courts to go ahead without the opportunity, without a man having the opportunity to present his case immediately following, and this will keep very well, I fancy.

MR. CLARKE: If he has been informed and had an opportunity of being here, and is not here—

MR. RANEY: Of course he was not notified. He was only notified of the meeting of the Committee.

THE CHAIRMAN: Oh, he knows perfectly well this has been under investigation of Mr. Clarkson. He knows no more than you or I that there was to be a meeting to-day.

MR. CLARKE: We don't want unfairness to anybody. It seems to me evidence of this kind should not go out all over the country, the man should be present and have some chance of putting in a defence if he wants to.

THE CHAIRMAN: It seems to be the consensus of opinion, in fairness to Mr. Biggs, and there is no charge against him, it might very well stand over. Mr. Raney, will you see Mr. Biggs is notified? You don't want us to subpoena him?

MR. RANEY: Of course not. He will be here.

THE CHAIRMAN: I don't want it to come up next meeting and have it said Mr. Biggs doesn't know about it now?

MR. RANEY: I was only bringing this to your attention. I was not asking for anything at all.

THE CHAIRMAN: I quite agree, and I think the consensus of the Committee is that. All I want is that Mr. Lethbridge or someone will bring this to his attention.

MR. McKEOWN: If he is not here next time he has not the same excuse.

THE CHAIRMAN: Is there anything else before the Committee?

MR. McKEOWN: I move the Committee adjourn.

THE CHAIRMAN: Moved by Mr. McBrien, seconded by Mr. McKeown, that G. R. Harris, of the City of Hamilton, be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place all books, letters, documents, bank accounts, bank books and memoranda in writing in his custody or power relating to or containing any entry relating to the Provincial Securities Co., and Browning, Harris & Co. Carried.

Another one:—Moved by Mr. McBrien, seconded by Mr. McKeown, that A. C. Caldwell, of the Town of Dundas, be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place all books, letters, documents, bank accounts, bank books and memoranda in writing in his custody or power relating to or containing any entry relating to the United Products Co., Limited, The Co-operative Canning Co., and the Caldwell Canning Co., Ltd.

THE CHAIRMAN: Moved by Mr. McKeown, that we adjourn until Wednesday at 10 A.M.

The Committee then adjourned to meet again Wednesday morning, April 1, at 10 A.M.

PUBLIC ACCOUNTS COMMITTEE.

The Committee reassembled Wednesday morning, April 1st, at 10 A.M., with Mr. Finlayson in the Chair.

THE CHAIRMAN: Gentlemen, before we proceed with the work of the Committee I would like to get the opinion of the Committee on one thing. You know the minutes are recorded by the Secretary and last year we dispensed with the formal reading of them and adoption of them every succeeding meeting. Is it the wish of the Committee that the minutes of the preceding meeting be formally read and adopted every meeting?

MEMBER: How long will it take?

THE CHAIRMAN: Just at present they are quite long because there were a large number of resolutions at the last meeting; ordinarily they are not long.

MR. BELFORD: I move they be taken as read.

MR. SINCLAIR: Take each one up at each meeting. I don't know that there is any object in reading the minutes.

THE CHAIRMAN: The minutes of the last meeting consist of the minutes of the last meeting and the fact that Mr. Smith was examined and so on, and then in addition to that there is the reporter's verbatim evidence. It is just a matter whether the Committee wish to adopt the usual procedure of having these minutes formally adopted and read at each meeting.

MR. CLARKE: Let us cut the present one out.

THE CHAIRMAN: As I understand it the Committee is satisfied at the opening of each meeting we will bring up the question of minutes, whether you want them read, and at the present meeting it is moved by Mr. Belford, seconded by Mr. Thompson, that the reading of the minutes of the last meeting be dispensed with. Is that satisfactory? Carried.

THE CHAIRMAN: Mr. Nash was in the box when we adjourned at the last meeting. Is there any business to be brought up before we proceed with the evidence?

MR. SINCLAIR: I suppose the matter that was left over from the last meeting, recorded as a notice of motion, should be dispensed with at the opening of the Committee.

HON. MR. PRICE: The motion which was laid on the table last meeting of Public Accounts Committee provided for the subpoenaing of Clarence Smith, Casey Wood, R. P. Gough—directors of the Home Bank, whose cases are now before the court by way of appeal, and also of M. J. Haney, another director of the Home Bank, whose case is before the court of original jurisdiction. Also of Peter Smith and Charles A. Matthews, one the former Minister, Provincial Treasurer, and the other the Deputy Minister, and of J. T. White, the Solicitor to the Treasury, who has been in the Government employ, or the Province's employ, for some time.

Mr. Chairman, These witnesses, I can say to the Committee, last session of the House when this matter was before the Committee, Mr. Clarkson and Mr. Nash, or the Clarkson firm rather, tried to get all the evidence that there was in the liquidator's hands to bring it before the Committee, and I believe that that was done, and I think that these gentlemen at that time were spoken to and asked if they had any evidence that would be available to the Committee or would throw any light on it. So that I think probably all these witnesses, any evidence that they have, was available for the Committee, and the reason why none of them would be brought before the Committee would be that no evidence was placed before Mr. Clarkson or myself that would have any bearing on the 1919 loan.

Now, as far as Peter Smith is concerned, and Charles A. Matthews, everyone knows the general situation. Peter Smith was tried and convicted and had an opportunity of going into the box both before the Committee and also at the time his case was heard in open court. Charles Matthews, the Deputy Minister, told me personally, told the Premier, and also, I believe, at the time of his trial, that he had no evidence that he could give that would throw light on the transaction. And, of course, J. T. White is the Solicitor to the Treasury and had no information that would throw light on the transactions.

Now one can easily realize that the list of witnesses given here, one of whom is Clarence Smith, and who lives in Montreal, are those who held official positions in the bank, and also in the Province at the time. The Government, as I stated in the House, and as the Prime Minister said in the House, feel that they made an earnest and positive attempt to get all the evidence that was available or that could be brought before the Committee without bringing witnesses who could shed no light on the transaction and would only be an

embarrassment to them at a time when their trials were before the courts, or they were accused of very serious offences. It was a very difficult position and had to be handled in a way that was fair to men who were charged with crimes and misdemeanours, fair to men who had occupied positions of responsibility and who were being tried.

That was the position of the Government; that was the position the Prime Minister took in the House. It was the position that I felt, coming before the Committee the other morning, that I ought to reiterate, because the House had approved of the Government's courts by giving it an outstanding majority in the debate on the Budget, voting down the amendment which had been placed before the House by the honourable member for East Wellington. And the Government had taken that as a vote of confidence in the way they handled these various matters, which everyone will agree were very deplorable in the history of the Province, irrespective of any political consideration. It has made every one think, been disturbing and terribly worrying to public men of all sides and shades of thought, and it has been very disturbing to the public generally, and therefore the Government are anxious to approach this thing from the standpoint of equity and justice, at the same time being anxious to give every means possible to get out any additional evidence that there may be.

There was also this situation to be considered, that the Hon. Mr. McGarry, who was Treasurer like Mr. Smith for—I think Mr. McGarry was Treasurer for six or seven years in the Hearst administration, and he came here three times and gave his evidence. He was distinctly in a different position from others who did not come before the Committee and he had offered to come as many times as necessary and his denial of having received any moneys of any kind or knowing anything about the transaction as far as the Home Bank was concerned was a positive one and was on the record three times. That surely is entitled to consideration.

Now, I think that is, honourable gentlemen, putting the case fairly before the Committee. I think it is a resumé of it which everyone will say is correct. I am very anxious personally, Mr. Chairman, as well as the Government, as I know the House is, to have this matter cleaned up in every possible way so that no one in the future will get on the public platform and without information or without knowing anything that leads anywhere, make statements that only accuse public men, without coming before this Committee and bringing direct information or direct charges of any kind, or anything that would show anybody that there was anything more than a suspicion.

Because after all, Mr. Chairman, all that the Committee wants to know is to whom did General Mason or Colonel Mason pay out certain moneys at certain times. That is the thing in a nutshell. If it was paid out to someone else otherwise than someone in authority in the Province of Ontario then of course it is a matter for the Bank. If it was paid out to someone in a Government or someone for the purpose of getting these deposits then that is another matter. So that is the thing in issue—someone who knows something about the actual transaction, who can say whether moneys were paid to anyone who had any Provincial connection.

With the idea, Mr. Chairman, notwithstanding the situation that I have covered, with the idea of making it perfectly clear to the Committee and to the House that the Government does not want in any way to block any investigation that any honourable member may make, even although he has not made any charge, even although he is in this position where he has not said anything that throws any light on it—and I think everyone will agree from what has been

said in the press outside of the House from time to time that there is some evidence somewhere that could be brought and someone was derelict in their duty in bringing evidence—I haven't seen any member stand up in the House or Committee and give evidence that would throw light.

But notwithstanding these facts, I suggest, Mr. Chairman, to you this morning, that the Committee approve of this resolution to bring these directors and to bring these matters named, notwithstanding the delicate position that the thing is at the present time, before the Committee, and that we hear this evidence. There is nothing, Mr. Chairman, as has been insinuated, that the Government of this Province care about. I hope there is nothing that anyone else cares about. As far as we are concerned we have no doubt but what the witnesses, what they intimated before, will prove to be correct when they appear before the Committee. Therefore, I have that suggestion to make, Mr. Chairman.

THE CHAIRMAN: Are you ready for the motion? This is a motion made by Mr. Sinclair, seconded by Mr. Clarke, which was allowed to stand over until this meeting of the Committee.

That Clarence Smith, S. Casey Wood, K.C., M. J. Haney, R. P. Gough, Peter Smith, Charles A. Matthews and J. T. White be summoned to appear before this Committee on Wednesday, the 1st day of April, A.D. 1925, to give evidence regarding commissions paid by the Home Bank to any party or parties upon the sale of Provincial securities on September 23, 1919, as referred to in the evidence and report of the Standing Committee on Public Accounts, 1924, and to produce before the Committee all books, and documents in their possession or power relating to the same.

HON. MR. PRICE: I was going to say, just before you put that, probably we will have to take these witnesses when we can get them and bring them before the Committee. Everyone will receive notice of that, of course.

MR. SINCLAIR: Before the motion is put, I am sure the public will appreciate very much the change of heart that has come over this Committee since the last meeting when the motion was placed before the Committee. At that time there was very strong opposition to the motion which I made and that was five days ago. To-day there is a complete change of heart, and I say everyone will appreciate that the Government has changed its mind in regard to this great issue which is before the people, and that an opportunity will be given for these people, and possibly some others that may develop that it is necessary to call. An opportunity, I say, will be given to have these before the Committee so that they may say what they know or what they don't know, so that we may be able to get further than we did last session, and possibly may be able to find out the details of this transaction.

The regrettable part of it is that we have lost practically a week. This resolution might as well have gone last Friday as go to-day, and the point I want to make which I made I think the other day is that the Public Accounts Committee is a committee of the House and not a department of the Government. If this right about face proves anything it proves that the Public Accounts Committee is subservient to the Government in power. It is the only conclusion one can come to, because the Government put up the objection last week, the Honourable the Treasurer, speaking for the Government as he says, and to-day he comes here and says he again speaks for the Government and now they have no objection to this investigation.

I simply want to make these remarks and to say that we very much appreciate the change of heart of the Government. We regret very much that the

Public Accounts Committee must be looked upon hereafter as a Government committee and not as a committee of the members of the House.

THE CHAIRMAN: What date do you want to put in?

MR. SINCLAIR: Well, I will have to consider. You have lost a whole week on this thing.

THE CHAIRMAN: We are going to lose more time if you don't give us a date.

MR. SINCLAIR: The thing I want to know is when the House is going to rise.

THE CHAIRMAN: Don't look to me for information.

MR. SINCLAIR: Well, it is a Government committee.

THE CHAIRMAN: No, it is not a Government committee.

MR. SINCLAIR: We have Friday and Wednesday of next week. Those are the only two days for Public Accounts Committee, regular days.

THE CHAIRMAN: No, the dates of the sitting of the Committee are in the hands of the Committee and the Committee will settle when they meet. Last year we sat almost continuously to clean the work up. Perhaps I could clear this up. Some members have been asking why Public Accounts Committee have not met earlier. The standard recognized practice here and every other British institution is that Public Accounts Committee does not function until the estimates are brought down and the Budget passed. When it was apparent that the Budget was going to be passed last week I consulted the Treasurer and we immediately called a meeting and the meeting was called I think the day following the close of the Budget debate, at the first opportunity. Gentlemen were complaining of that. If they want to complain they will have to change the practice which perhaps might be open but we called a meeting at the earliest possible date. Perhaps it might be more convenient to pass the resolution leaving the date blank. But we will try with the assistance of the members to hold continuous sessions from now on if necessary to clean up this and every bit. It may be necessary to ask you to sit early, it may be necessary to ask the permission of the House to sit concurrently with the House but I think if members will help we will have sessions enough to clean up.

MR. LEWIS: I have listened with a good deal of interest to what my friend Mr. Sinclair had to say in relation to the motion to bring these witnesses forward, and as a private member of this Committee I rather resent some of the things he said. I am just going, in view of his words, to give expression to the resentment.

It looks to me now as if having made a motion which he hoped would be defeated and finding it is going to be passed probably he is trying to vent his disappointment on the Government, and I want to say this as a private member I feel that the majority of the private members of the Committee feel, and felt last Friday, that the calling of these witnesses is just going to be a waste of time of the Committee, and it is only in consideration of the fact that the Government said we have no objection, there is nothing that we want to have concealed in connection with this, bring all the witnesses, that the private members are will to concede this. I feel that is the situation. Personally, I think we are going to waste a lot of time.

MR. SINCLAIR: Speak for yourself.

MR. LEWIS: I am speaking for myself, and some of the other members. I just wanted to make that clear. I feel while we are conceding that point for the leader of the opposition and wasting that time to bring these men here we realize it is a waste of time and we are only doing it because there is no objection.

THE CHAIRMAN: Just a minute; last session at the suggestion of the leader of the opposition we tried to cut out political speeches. Now we have had two political speeches. Let us try to get down to brass tacks and stop this oration. Are you ready for the question?

MR. SINCLAIR: No, we are not going to have—my honourable friend says I introduced a motion that I hoped would be defeated, and what ground he has for that I don't know. I am rather surprised that an honourable member of the Committee here would make any such accusation. I may say I have shown no sign to-day that I don't want my motion carried. I expressed the pleasure which I had that the motion had been carried, and if I had ever hoped that the motion would be turned down I certainly would not have introduced it in this Committee.

More marvellous still, however, is the position which the honourable member puts himself in when he votes for a motion that he says is going to be a waste of time of the Committee. I leave it to the honourable members, who is presenting themselves in the best position, me, honestly endeavouring to get the information which the public are entitled to or the honourable member for North East Toronto voting for a motion which he says will be a waste of time to the Committee.

MR. LEWIS: Hear, hear.

THE CHAIRMAN: Are you ready for the motion? With Mr. Sinclair's consent, I am leaving the date blank and he will give me a date. Is it satisfactory then that the motion of Mr. Sinclair and Mr. Clarke, read several times, be passed, with the date in which it is returnable being left blank? Carried.

HON. MR. PRICE: There is another matter I would like to bring before the Committee. Mr. Sinclair made a motion the other morning that the books of Lyons & Co. be brought in, not the books, but the vouchers be brought before the Committee. Mr. Fullerton is here with these this morning and I suggest as there is examination to go on with that probably these could be left with the Secretary. You could look into them then, if you want to go on further. Mr. Lyons will be prepared to come on, and if you want further information he would be glad to give it.

MR. SINCLAIR: That is usual. That is all right.

MEMBER: Where will they be available?

HON. MR. PRICE: They will be available with Mr. Regan of the Treasury Department. You can go over any time.

THE CHAIRMAN: That is satisfactory to the Committee on the resolution that was passed last meeting in reference to the Lyons Fuel & Supply? The director of the Colonization Branch will leave these vouchers with the Secretary and they will be available for the Committee's inspection, and we can decide next meeting whether you want to press it.

MR. SINCLAIR: We want just to look through the vouchers.

THE CHAIRMAN: Any other general business before we go on. Mr. Nash is here, if there is no other business to come before the Committee we will resume the taking of his evidence. I have sent for Mr. McBrien; he had some other matter in the Municipal Committee in the adjoining room. He will be in in a moment.

While we are waiting for Mr. McBrien I have a letter this morning from Mr. Browning, of Hamilton, in which he states:—

R. S. Regan, Esq.,
Secretary, Public Accounts Committee,
Parliament Buildings, Toronto, Ont.

March 31, 1925.

Dear Sir:—

Your notice to Mr. Harris, asking him to be present on the 2nd of April, was this morning received.

After your phone message of yesterday I communicated with Mr. Harris and doubtless you will hear from him to-day or that he will be present on Thursday.

I am certain if his wife's health permits he will be on hand.

Yours very truly,

A. G. Browning.

MR. SINCLAIR: Are you having him to-morrow?

THE CHAIRMAN: Well, Mr. Raney made a motion that Mr. Drury attend to-morrow morning with himself.

HON. MR. PRICE: We can't to-morrow.

MR. LEWIS: Church Union.

THE CHAIRMAN: Perhaps it would be convenient to settle it next meeting.

HON. MR. PRICE: I was going to suggest that where motions are made, if they are left without date, we can easily fill them in any time. Mr. Raney made this for Thursday night, well, it is likely the House will be in session and probably we will have the O.T.A. Bill on Thursday. It is coming up and it may last well into the night, so I think we will have to try and work them in and have practically a continuous sitting probably Monday afternoon and Tuesday and Wednesday and Thursday. We had probably better consult with Mr. Raney to see if Friday morning would be all right for Mr. Drury and himself. I think there is plenty of business to go on with.

THE CHAIRMAN: What about Mr. Lethbridge? Do you know anything? We don't want to send a subpoena to Mr. Drury, and the Secretary spoke to me about it and I told him I did not think there was any occasion for an officer going up, if we sent a subpoena by mail it would—

MR. CLARKE: Mr. Raney told you that the other day.

THE CHAIRMAN: We don't want to have him here in attendance unnecessarily. Will you undertake to discuss it with Mr. Raney and let us know?

MR. LETHBRIDGE: Yes.

Mr. A. E. Nash recalled.

MR. F. G. MCBRIEN: When this Committee adjourned we were dealing with your investigation into certain transactions of a gentleman by the name of Harris and his six companies, including the blind bond company known as the Provincial Securities. Now in your investigation what did you find the profits of this Harris Company amounted to in connection with the handling of Provincial bonds, the gross profits?

A.—At the Public Accounts Committee last session, Mr. McBrien, I filed two exhibits, numbers 187 and 192, which showed the profits of those from the sale of Provincial bonds to the Province of \$123,341.41.

Q.—And of this amount how much did Provincial Securities make?

A.—\$31,830.41.

Q.—Well, were you able to ascertain what became of the profits of the Provincial Securities? They were estimated at approximately \$31,000, I think?

A.—We don't know except from the information given by Mr. Harris before the Committee and the fact that we have been able to find that the Provincial

Securities Company purchased certain bonds out of their profits, or with part of their profits, of which there is no record of any sale; that is to say they purchased these bonds and do not show that they sold them.

MR. MCBRIEN: Well, if I recollect, Harris, when he was on the stand, stated that out of the profits of the Provincial Securities he loaned to Mr. A. G. Browning, who is his father-in-law, and afterwards an employee of the Attorney-General, some \$5,000?

HON. MR. RANEY: Why do you say that? What is the good of dragging in that kind of thing?

MR. MCBRIEN: Because he was.

MR. RANEY: He was not.

MR. MCBRIEN: Well then, an employee in the Department.

MR. RANEY: Not an employee of my Department at all.

THE CHAIRMAN: He was appointed but he never took office.

MR. RANEY: I had a tentative arrangement which was cancelled after the new Government came in.

HON. MR. PRICE: He never got into harness.

MR. MCBRIEN: He never got into harness, but that was no fault of yours.

HON. MR. RANEY: Well, if the counsel representing the Treasury Department would endeavour to keep to facts and endeavour to keep out politics it would serve the purpose much better.

THE CHAIRMAN: We tried to stop political speeches before you came in.

HON. MR. PRICE: He is not representing the Treasury Department, he is a member of the Committee.

MR. MCBRIEN: Mr. Nash, regarding the moneys, were you able to find any vouchers as to the moneys loaned to Mr. A. C. Browning by the Provincial Securities Co.?

A.—Yes, we found—not from the Provincial Securities, no. We did find three cheques aggregating \$3,500, one of which was a cheque for \$2,000, drawn by Mrs. B. B. Biggs from her personal account in December, 1921, and the other two cheques amount to \$1,500 drawn by George R. Harris on his personal account in December, 1923, all three were endorsed by Mr. Browning or by the bank for Browning's credit.

Q.—Well, that would not cover the full amount of \$5,000. Could you find any vouchers as to this?

THE CHAIRMAN: What is the practice the Committee wants to follow as to subsequent witnesses? I believe Dr. Caldwell was here. At some meetings last year we excluded him, at some we did not perhaps. I think it is better practice legally, we found it better last year, to have witnesses out while other witnesses are giving their evidence. If there are any witnesses here under subpoena or order to attend will they retire and not go beyond the immediate corridor so they will be available at once. That applies to all witnesses who are here under orders or subpoena.

A.—You said \$5,000; I think Mr. Harris said \$4,000 in his evidence last year. I think he said \$4,000 was the amount advance, loaned, to Caldwell.

Q.—Oh yes, and \$5,000 to Browning?

A.—Harris produced to us four cheques signed by himself and drawn on his personal account payable to Dr. Caldwell and endorsed by Dr. Caldwell, aggregating \$1,900, that is on his personal account.

Q.—And the balance of the profits of the Provincial Securities Harris swore he—

A.—Well, perhaps before we come to that, if I may add this, that the books of the Browning, Harris, Northey Co. show also an amount owing from Dr. Caldwell of \$4,050, which includes an amount advanced, or apparently advanced—I haven't got the cheque and cannot say it was actually cashed—by Mrs. Harris of \$2,350, three cheques, February, March, 1922, of \$700 and a cheque in June, 1922, of \$1,000. None of these items correspond with the cheques, the four cheques, that Harris produced to us as drawn on his bank account and paid over to Caldwell but I give the fact for what it is worth in the books because that is so.

Q.—Referring to purchases by the Provincial Securities representing the profits of that company, could you trace any of those?

A.—Well, from the account of the Provincial Securities we were able to find that the bonds that were purchased with the profits or with part of the profits and not sold so far as we were able to discover were the following:—Grand Trunk Pacific, 4 per cent., 1955's, £500; Moose Jaw, $4\frac{1}{2}$ per cent., 1950's, £200; Edmonton, 5 per cent., £600; Edmonton, 1953's, 5 per cent., £200; Winnipeg, 6 per cent., 1950's, \$16,000; Alberta and Great Waterways, 5 per cent., 1959's, \$10,000; Province of Saskatchewan, 8 per cent., 1936's, \$4,000. That makes a total of par value \$37,300, and in addition to that there was a block of \$10,000 Province of Saskatchewan '36's which was purchased by the Provincial Securities from Browning, Harris, Northey & Co. and indications are that the Browning, Harris, Northey Co. paid the overdraft of the Provincial Securities at the Bank of Toronto and took these bonds in payment for the amount that they had advanced. I don't see anything unusual in that except there was a transfer between companies.

Q.—Were you able to trace from whom these bonds were purchased?

A.—In some cases yes. Well, I may say in the majority of cases we were able to see who they were purchased from, which included certain bond brokers in the City of Toronto and certain brokers in the City of New York. The actual purchasers from those brokers were Morgan, Dean, Harris, Mulveney, Ltd., which was the second of the Harris companies and that company after buying these bonds from the Toronto and New York brokers sold them or transferred them through Harris to the Provincial Securities Company. So that following the stages through, Provincial Securities Company purchased these bonds from Toronto and New York brokers.

Q.—Well, from your information, could you get the serial numbers of the bonds that the Provincial Securities purchased out of their profits?

A.—We applied to the brokers in Toronto and New York and were able to obtain the serial numbers of some of the bonds.

Q.—How would you identify the balance, simply by—

A.—By the date of purchase and the amount, and the—

Q.—And the rate of interest?

A.—And maturity.

Q.—Could you find out whether Provincial Securities ever sold any of these bonds or disposed of them in any way?

A.—No, not those bonds that I have referred to, that I have just given you the list of.

Q.—But the serial numbers, what ones could you trace on serial numbers of this \$37,000?

A.—Only the City of Winnipeg and the Province of Saskatchewan.

Q.—Only the City of Winnipeg and the Province of Saskatchewan?

A.—Yes.

Q.—How much did they amount to?

A.—Saskatchewan, we traced \$10,000 in serial numbers in Saskatchewan and \$16,000 in serial numbers in the City of Winnipeg.

Q.—Did you find any other of the Harris companies purchasing these bonds of a similar amount of the same date of maturity?

A.—Well, we did find that the Browning, Harris, Northey Company later purchased some of these bonds.

Q.—They purchased some of these bonds?

A.—So that we may have—this is rather complicated and I want everybody to understand it—Provincial Securities Company purchased these bonds. They don't show having sold them. At a later date the Browning, Harris, Northey Company purchase these bonds.

Q.—From whom did they purchase them?

A.—Well, they purchased some of them from Mr. Browning, some from Mrs. Harris, some from Mr. Biggs. Now, when I said there that the Browning, Harris, Northey Company purchased these bonds I want to make it quite clear that the Browning, Harris, Northey Company purchased bonds of the same description, same issue, and the same maturities.

Q.—Could you find any record in the books of the company of the sale from any of the Harris companies to Mr. Biggs?

A.—Any of these bonds?

Q.—Any of these bonds?

A.—Not of these bonds.

Q.—Why couldn't you get that information from the bond ledger?

A.—Well, the bond ledger, Mr. McBrien, was not complete when we saw it. There was a good many missing sheets in the bond ledger. I am not able to say positively, I don't know, I am not able to say what those sheets contained, but there were no sheets in the ledger recording any transactions of Mr. Biggs in the bonds.

Q.—Well, I quite understand that, Mr. Biggs' personal ledger sheets, but surely in the personal, general commercial bond ledger leaf you would have a record?

A.—We found some indications of the purchase of these bonds from Mr. Biggs through that source, but not in his—

MR. BIGGS:—Just here, let us get this perfectly clear. I don't think Mr. Nash will correct me. I don't think Mr. Nash said that Browning, Harris, Northey, or whatever company it was sold these bonds, he said Provincial Securities had these bonds and the next time they appear they appear as having been sold by me to the bank.

MEMBER: To the Browning, Harris, Northey Co.

MR. BIGGS: I understood from your question that you were drawing the inference, you were looking for some transaction, sale, by the Browning, Harris, Northey Co., which according to Mr. Nash's evidence I don't think is the trend of events as set forth by his evidence.

MR. MCBRIEN: According to the books of the Provincial Securities Co. these bonds represented profits made by the Provincial Securities Co. in connection with the sale of Government bonds. Well, now, the next step, we trace the bonds, these same Harris companies purchased from Mr. Biggs these bonds; now the step I wanted to try and find how they arrived in possession of Mr. Biggs from the Harris Company. There is a missing link.

MR. BIGGS: That is what I would like to know.

HON. MR. PRICE: The ledger sheets are missing.

MR. BIGGS: There were no ledger sheets—

THE CHAIRMAN: Mr. Nash has said that in the Harris books, under whatever name they are known, he could not find any ledger sheets covering the Biggs account.

HON. MR. BIGGS: Mr. Nash said the bonds were in some way disposed of by Provincial Securities, apparently disposed of in some way, sale, or some way.

MR. LEWIS: I don't think that is quite right. He said he couldn't find any evidence of their having been disposed of.

HON. MR. PRICE: I suggest we allow Mr. Nash to go on.

MR. MCBRIEN: Were the ledger leaves, was it a loose leaf system of bookkeeping?

A.—Yes. I think perhaps I can clear up this point. The Provincial Securities bought these bonds out of profits that they made through selling the Provincial bonds back to the Province. They didn't sell the bonds. The inference is, if I may draw this inference, and I am not here to give opinions, the inference and the fact is they had these bonds in their possession. Now Harris says he gives them to his wife, or gives them to himself. The next step we find is some of these bonds, not all of them, some of these bonds, purchased by the next of Harris' companies, the Browning, Harris, Northey Company, from Mr. Biggs. We don't find any sale to Mr. Biggs from the Provincial Securities. We don't find any sale to Mr. Biggs from the Browning, Harris, Northey Company. We find the purchase from Mr. Biggs of some of these same bonds.

Q.—In other words the link in the chain from Harris to Biggs is missing!

HON. MR. PRICE: If there had been a sale of any of these bonds from the Provincial Securities Co. to Mr. Biggs, or Browning, or anyone else, then money would have gone into the Provincial Security account to replace the bonds?

A.—Well, presumably.

Q.—If there is a sale; so apparently no money went in to replace the bonds?

A.—No, nothing went in to replace the bonds.

Q.—Therefore, whoever got the bonds took them by right of ownership apparently?

HON. MR. DOHERTY: Supposing Mr. Harris kept these bonds—and he under oath swore they belonged to him, to Mr. Harris—supposing though the bonds were his, would you have any information which would lead you to believe that a transaction something along this line could not have taken place—supposing Mr. Harris having these bonds and those particular bonds that ultimately passed as you say in your evidence from Mr. Biggs to Browning, Harris, could Harris have made an exchange of bonds with Mr. Biggs? Supposing Mr. Biggs having some other bonds and Harris makes a deal with him—here, I have some bonds, Albertas, or some others and the market is good, and we will make a deal, you give me five thousand and I will give you these bonds, and so on. As you know a lot of transactions are made between dealers in bonds and owners of bonds from time to time, and the bonds in this way passed into the hands of Mr. Biggs and ultimately in another transaction between Browning, Harris and Mr. Biggs, these bonds get back to Browning, Harris. Is there anything—

A.—It is quite possible, what you say is absolutely possible.

THE CHAIRMAN: How many days elapsed between the bonds getting into the hands of the Harris Company and their being purchased back from Mr. Biggs?

A.—Well, the dates vary.

Q.—Well, those you are able to identify?

A.—I have the details of some.

Q.—Well, don't I remember your evidence, the following day?

A.—Yes, in some cases; well, I was coming to that.

Q.—We find one day they passed into the hands of this Harris Co. in Toronto and the following day they were sold by Mr. Biggs to the Harris Co in Hamilton?

HON. MR. BIGGS: No, they were signed for by Harris in Toronto. They passed from the Bank of Toronto in Toronto to Mr. Harris' possession one day and then you say they passed from my possession next day to the Hamilton firm, have you anything to show how long this block of bonds was in the Bank of Toronto, in Harris' possession in the Provincial Security Co.

A.—I think we can show that.

Q.—That would be very interesting, because the transfer is made from Toronto to Hamilton; it naturally would not be made until a sale was made.

MR. MCBRIEN: In any event these bonds were the original profits of the Provincial Securities, the blind bond house?

A.—Well, I would not like to be pinned down to the fact that they were original profits, the only profits—

Q.—They were originally the profit?

A.—The bonds were not.

Q.—The result?

A.—Purchases with the proceeds of the profit.

Q.—In other words they represented the profits of Provincial Securities?

A.—Well, I am not prepared to say that, they were purchased with the proceeds.

MR. FISHER: Does that mean nothing more than that they were unaccountable assets of the company?

A.—That is it.

Q.—We haven't any right to say any more than that—

A.—They were purchased with profits.

THE CHAIRMAN: The Company had no capital; anything that resulted must have been profits.

Q.—As far as you can ascertain what was the total purchases from Mr. Biggs of bonds by the Harris Company?

A.—The total purchase of bonds from Mr. Biggs—you mean of these particular maturities?

Q.—Just those that are earmarked?

A.—Of those that are of the same maturities as the bonds purchased from the profits of the Provincial Securities, the par value of \$26,433.34; that is to say, Mr. Biggs sold to the Browning, Harris, Northey & Co. bonds of the same maturities as the bonds that Provincial Securities had to the par value of \$26,433.

Q.—Same issues and same maturities?

A.—Yes.

Q.—Could you give us a kind of summary of the particulars of some of these transactions?

A.—First of all, particulars of that \$26,000, Mr. Biggs sold \$4,000 of Saskatchewan 1936's on the 5th of May, 1921; he sold \$8,000 of Winnipegs on the 5th of May and 14th of May, 1921; he sold £500 of Grand Trunk Pacific on the 22nd of June; \$2,000 of Saskatchewans on the 22nd of June and \$2,000 on the 28th of September, and \$8,000 of Winnipegs on the 28th of September.

Q.—\$8,000?

A.—That is a total par value, \$26,433, and those are the same maturities as the bonds—

Q.—Do all these bonds, Mr. Nash, correspond in description with the bonds that were the profits of the Provincial Securities?

A.—They correspond in description and in maturity, yes.

Q.—Can you say they are the same bonds?

A.—No, I cannot. I cannot say they were the same bonds without positively tying up the serial numbers.

Q.—Can you say they were the same serial numbers in any case?

A.—No, not so definitely.

Q.—Then take these Grand Trunk Pacific bonds, they are in pounds?

A.—That is £500.

Q.—Yes, are they handled to any great extent by this firm? Do their books or their records, is there any other record of this company having dealt in that particular bond and that denomination, that maturity and that rate of interest?

A.—Oh yes, oh yes; purchases of Grand Trunk Pacific would not be entirely confined to Mr. Biggs.

Q.—They purchased these, this £500 issue—

A.—Perhaps if I detail that transaction for you you will understand it. It is not quite as clear as some others. These Grand Trunk, on the 17th of March, 1921, and on the 5th of April, the Provincial Securities purchase from Morgan Dean, Harris, Mulveney, £5,800 of Grand Trunk Pacific 4 per cent. bonds maturing in 1955, which a few days earlier the Morgan Dean, Harris and Mulveney Company had purchased from New York and Toronto brokers. £5,300 of these bonds were sold by the Provincial Securities Co. We have those records of those sales, leaving the £500 unsold and apparently remaining on their hands. On the 21st of June, 1921, George R. Harris signed a release of £500 of these Grand Trunk Pacific bonds to the Bank of Toronto, indicating that he obtained them from the collateral account of the Provincial Securities Company in the bank. The following day, on the 22nd of June, Browning, Harris, Northey & Co. purchased £500 of Grand Trunk Pacific bonds from Mr. Biggs.

Q.—How do you know that these bonds were purchased from Mr. Biggs?

A.—The company, the Browning, Harris, Northey Co., kept a Security Day Book in which they recorded presumably all their purchases.

Q.—Was it a loose leaf?

A.—No, bound book. I think that is the book you have there.

Q.—Did they have a security bond ledger?

A.—They had a security ledger, yes.

Q.—Is this item entered there?

A.—No.

Q.—Was it a loose-leaf book?

A.—That is, I haven't seen the sheet. It was a loose-leaf book.

Q.—What did the security ledger say?

A.—The security day book.

HON. MR. PRICE: As I understand you to say the loose-leaf book, you could not find any entry?

A.—As I explained to the Committee last year a great many of the records from the sheets of the ledger and the sheets of the cash book and the checks and the vouchers and other records of the Browning, Harris, Northey Co. were

missing. We were unable to piece together the whole story because of the missing sheets in the ledger and the missing records.

MR. CURRIE: You have the original book of entry here, the original entry is here?

A.—Yes, page 49 of that book you will find the entry I refer to.

MR. MCBRIEN: You find Mr. Biggs had an account?

MR. FISHER: Is that a long thing, that entry?

A.—It is on page 49 of this security day book, of Browning, Harris, Northey Company, and the entry is: "Number 160"—I don't know what the number refers to, probably a folio number—"bought from F. C. Biggs, £500 Grand Trunk Pacific 4 per cent. bonds, 1st of April, 1955."

THE CHAIRMAN: What date?

A.—22nd of June, continuing interest on prairie section guaranteed by Grand Trunk Pacific at 59, that is 59 evidently the purchase price, \$1,433.70, interest 82 days 4 per cent. \$21.85, total \$1,455.55.

MR. MCBRIEN: Could you find any account that Mr. Biggs had with the firm of Browning, Harris, Northey Co.?

A.—No, we were unable to find any account.

Q.—He had an account there, though?

A.—I cannot go any further than to refer you to the books in which the transactions were shown.

Q.—Well, you have the ledger?

A.—It is fair to say this, perhaps, that other purchasers and vendors of bonds entered in this book had accounts, but Mr. Biggs, there was no account in the ledger of Browning, Harris, Northey for Mr. Biggs.

Q.—Didn't Harris state at the last Public Accounts he would endeavour to locate these missing ledger sheets for you?

A.—Yes.

Q.—Did he make any effort to do that?

A.—I would not like to say he did not.

Q.—Did you ask him for the sheets?

A.—Yes.

Q.—He didn't produce them?

A.—He didn't; he said he couldn't find them. We made a search in the files and the vaults of the Harris firm and couldn't find them.

MR. CURRIE: Did you check up other reference numbers to find out if they referred to pages in the ledger?

A.—Yes, we did.

Q.—And did they refer to pages in the ledger?

A.—Yes.

Q.—Is this page number 160, is it missing?

A.—It is not in the ledger.

THE CHAIRMAN: The entries before and after that, I believe they have been checked up, and you found them there?

A.—Yes.

Q.—You find previous entries and subsequent entries are all regular and correspond with entries in the ledger?

A.—We have not checked every entry.

Q.—You have before and after, generally speaking, before and after?

A.—Of course, before and after has no reference to this.

Q.—I want to get the fact, the entries before and after are traceable into the ledger?

A.—I think that is so. I am instructed by my assistants that we tested the majority of the entries in this book and proved them correct with the exception where they are missing.

Q.—In other words, wherever you tested, you found the entries had been properly carried to the ledger and numbers verified, but it was impossible to trace the Biggs entries to the ledger, they had disappeared?

A.—Yes, they are not there.

MR. MCBRIEN: From the records you had available, were you able to build up some kind of ledger sheet for Mr. Biggs to replace the missing sheets?

A.—We endeavoured to, of course we were desirous of doing that to clear up the point, and we produced in Exhibit 191 last year before the Public Accounts Committee, which is an attempt to build up an account of Mr. Biggs, taken from the Security Day Book and the other records of the Browning, Harris Co. This was filed before the Public Accounts Committee last year, and in this account, in the building up, we found sales of \$90,270.22 and purchases of \$55,771.11, showing an excess of credits over debits or sales over purchases of \$34,499.11. Now you understand this is not, I cannot state—

Q.—What total made a difference?

A.—\$90,270.

Q.—Over how long a period?

A.—From May, 1921, to March, 1923. But I am not attempting to say it is a correct statement of Mr. Biggs' transactions, because it is built up as far as we could build it up from the information that was in the book.

Q.—There may be more, there is not likely to be less?

A.—Well, there can't be less.

MR. CURRIE: Did you build that up from the Security Day Book?

A.—Yes.

Q.—From the original book of entry so as to make up the missing pages?

A.—We were naturally desirous of explaining the whole thing and we could not do it presumably on account of records not available.

HON. MR. BIGGS: In other words, \$34,000 more sold than purchased. Is it not possible, or do your records show that bonds were all purchased through this firm or might there be bonds purchased from somebody else of original issue or any issue. I haven't seen the sheet. You say sales were more than the purchases with this particular firm. During that interval of some two years bonds might have been purchased however from other firms, bond firms, or direct issue of some kind from some company. I think there are some arcade bonds and United Hotels—I think there is Loews theatre stuff, can you say of the bonds that are sold they could not have been purchased somewhere else?

A.—Oh no, I can't say that.

Q.—Might have been purchased anywhere?

A.—I don't know that.

THE CHAIRMAN: This is only an attempt to build it up, the ledger sheets are missing. Mr. Nash has done the best he could.

MR. MCBRIEN: Was the cash book intact?

A.—No, there were missing cash book sheets.

Q.—Referring to this account?

A.—On or about the date when certain of these transactions were made—I cannot go any further than that because I don't know what was on them.

Q.—Loose leaf?

A.—Loose leaf.

Q.—How about the security ledger. On a bond transaction for instance, Mr. Biggs' private account, his private ledger. Then you would have your security ledger and then you would have your cash book?

A.—Yes.

Q.—If you had your cash book and security ledger intact, couldn't you build up your accounts fairly accurately?

A.—Well, you should be able to if the books are intact.

Q.—Was the security ledger intact?

A.—No.

Q.—Explain what a security ledger is, so they will grasp the significance?

A.—Well, the common practice of bond companies is to have an account for each class of bonds they buy or sell. For instance, if they are buying Grand Trunk Pacific they would open in their security ledger an account to Grand Trunk Pacific bonds 1936's. Now if they bought five thousand of those bonds from, we will say Mr. Biggs, they would charge the Grand Trunk Pacific bond account with \$5,000 and credit Mr. Biggs' account with \$5,000, so the bond account of the Grand Trunk Pacific would record all the purchases and the sales of that particular block or issue of bonds. If that is not clear—

MR. CURRIE: Carry it out further and state they would also make an entry on Mr. Biggs' account showing the same transaction?

A.—Yes.

Q.—Two entries?

A.—Yes, double entry. And in these cases where we have tried to build up the account there are no ledger sheets for Mr. Biggs' account. Some of the cash book sheets are missing and some of the security ledger sheets are missing.

MR. MCBRIEN: We were dealing with this Grand Trunk, this £500, would not there be a record in the security ledger as to Mr. Biggs' transaction on this issue, or was that missing?

A.—That was missing. The only record we have is the day book that I have produced and referred to.

Q.—Are the security ledger leaves missing on all those transactions that are now before the Committee?

A.—Yes.

Q.—In no case can you find security ledger from any transactions of the bonds that were purchased from Mr. Biggs?

A.—Of these bonds?

Q.—Of these?

A.—These and the Saskatchewan.

Q.—And the Winnipeg?

A.—Yes.

Q.—What did you find in this Winnipeg issue? There was approximately \$8,000 of this maturity, in 1950?

A.—Now this is the story of the City of Winnipeg so far as we are able to find it. On the 23rd and 29th of March, 1921, the Provincial Securities Company purchased \$10,000 par value of City of Winnipeg bonds, 6 per cent. bonds maturing in 1950, of which they deposited as collateral to the Bank of Toronto, in Toronto, \$5,000. They purchased these bonds from Morgan, Harris, Mulveney, Limited, who a few days previously had purchased them from firms of Toronto brokers who have supplied us with all the serial numbers of these bonds so sold to the Morgan, Dean, Harris Company. In this case we got from the brokers who originally passed the bonds to the Harris companies, the serial numbers of the bonds. On the 11th of May, 1921, \$3,000 of these bonds were

withdrawn from the Bank of Toronto and signed for by Harris, so that at this stage there would appear to be \$2,000 still on deposit with the Bank of Toronto and \$8,000 in the hands of the Provincial Securities or George R. Harris—at least not in the hands of the bank. On the 5th of May, 1921, Browning, Harris, Northey Co. purchased \$6,000 par value of these bonds from Mr. Biggs and on the 14th of May, 1921, purchased further \$2,000 from him, and on the 14th of May, 1921, Provincial Securities Company purchased \$6,000 of these bonds from Browning, Harris, Northey Co. and on the 17th of May deposited the whole block of \$6,000 with the Bank of Toronto, Toronto, as collateral. So that at this point again the Provincial Securities had on deposit as collateral with the Bank of Toronto \$8,000 of these bonds and the numbers of those \$8,000 correspond with the serial numbers of the bonds purchased in the first place from the Toronto brokers. On the 27th of September, 1921, this whole block of \$8,000 Winnipegs, together with \$2,000 Saskatchewan, were released by the Bank of Toronto and forwarded to Hamilton attached to a draft for \$7,306.38 drawn on Browning, Harris, Northey & Co. The draft was apparently made to cover the overdraft of the Provincial Securities Company in the Bank of Toronto. There is no record of any purchase of Browning, Harris Co. of these two blocks of bonds from George R. Harris. It is peculiar in this sense that Provincial Securities Co. released the bonds from the bank and forwarded them attached to draft to Browning, Harris, Northey Co. Browning, Harris, Northey Co. don't record in their books any purchase of these bonds, but under date of the 28th of September, the following day, these City of Winnipegs and \$2,000 Saskatchewan were purchased from Mr. Biggs by the Browning, Harris, Northey firm. The pages in the Security Day Book in this case are 81 and 82.

Q.—Do the numbers correspond, Mr. Nash?

A.—We have no numbers of the purchase coming from Mr. Biggs.

Q.—But you have the maturity, rate of interest?

A.—Rate of interest and description—and maturity, yes. That is somewhat complicated. This much is clear, perhaps, that the Provincial Securities Co. apparently sold \$8,000 Winnipegs and \$2,000 Saskatchewan to Browning, Harris, Northey & Co., receiving in exchange enough money to cover their overdraft at the Bank of Toronto.

Q.—That is the draft was on there?

A.—On Browning, Harris, but there was no record of any purchase by the Browning, Harris, Northey from Provincial Securities, but the following day there is a record of purchase by Browning, Harris, Northey Co. of this same block, same sized block, of the same bonds, from Mr. Biggs.

HON. MR. DOHERTY: Wouldn't you have a record of the Browning, Harris having paid that draft?

A.—Yes, they paid the money.

Q.—Well, so you have a record?

A.—Not for the purchase of the bonds.

Q.—Would not that be the purchase of the bonds if they paid for them?

A.—It is a record of the money going out.

Q.—I don't just get you?

A.—Well, Browning, Harris, Northey paid the amount.

Q.—If I shipped you \$5,000 of bonds with a draft for \$5,000 and you paid the \$5,000, I should say that is quite sufficient record that there was a transaction between you and me?

A.—Undoubtedly there is a transaction of cash, yes.

THE CHAIRMAN: But you would expect him to make an entry.

HON. MR. DOHERTY: I don't think you would pay \$5,000 if you didn't get the bonds?

A.—The peculiarity is this, the following day they purchased them from Mr. Biggs.

MR. CURRIE: They paid twice?

A.—In that case they bought the bonds twice within two days.

HON. MR. DOHERTY: They paid this draft?

A.—We have a record in this sense, that is we find in the Browning, Harris Co. bank account a charge by the bank of the same amount as the draft. I think it is fair to assume that is the draft.

Q.—Have you a record of the same firm paying Mr. Biggs for these again?

A.—The record of the purchase of Mr. Biggs in this book?

Q.—Record of them paying for it again?

A.—No, we have not found the check to Mr. Biggs, but we have found the entry from which account Mr. Biggs' account would have been credited with the proceeds of the bonds.

MR. CURRIE: Bond and original day book entry?

A.—Yes.

Q.—With reference number? A.—Yes, number 243, bought from F. C. Biggs \$2,000 Saskatchewan, 6 per cent. 1st February, 1936, at 98 with interest at 98, that is on page 81, page 83, the date of that is September 28, and on the same date, page 83, same date, bought, number 248, bought \$8,000 City of Winnipeg 6 per cent. 1st June, 1950, \$8,000 with interest \$155.18.

MR. LEWIS: And in neither of these cases could you trace it from the ledger account?

A.—Neither of these cases.

HON. MR. DOHERTY: In your experience with accounts covering transactions of securities have you not found it quite common that the transactions are complicated and can be complicated legitimately complicated in a dozen different ways?

MEMBER: By tearing out ledger sheets?

HON. MR. DOHERTY: For instance, if a man goes into a house and buys \$10,000 of bonds at a certain price and they can only make delivery of say \$5,000 or \$6,000 at that time, they say we will make delivery in a few days, when they come to hand. Before they come to hand there is an appreciation in the price and some other bonds attract the eye of the man making the original purchase, and before delivery he says he will not take these, but he will exchange them for something else, and you have all those intertangled transactions in the books in the transaction of securities?

A.—Yes, that is quite so. There are many complications in bookkeeping.

THE CHAIRMAN: Where bookkeeping exists.

MR. NASH: And bad bookkeeping is not always a sign of anything wrong, nor good bookkeeping a sign everything is right.

THE CHAIRMAN: Destruction of ledger, what would you say as to that?

A.—Well, I am not offering an opinion.

HON. MR. DOHERTY: Was this firm at the time you made investigation still doing business?

A.—Browning, Harris, Northey Company was followed by Browning, Harris & Co., which was later followed by Browning, Harris, Denman & Co., and the present firm in existence is Browning, Harris, Denman & Co.

Q.—What I want to ask you is, I am a little surprised at what you say in

regard to the disappearance of these leaves. I can quite readily understand if the firm was out of business and had been out for some time—

A.—No, because the books of Browning, Harris, Northey Co. are still actually in existence. It has not been wound up.

MR. LEWIS: But they are out of business?

A.—They have changed their name.

MR. LEWIS: Took in a different partner?

HON. MR. DOHERTY: But they have a different set of books?

A.—Yes.

MR. MCBRIEN: What connection do you place between Provincial Securities—from your investigation, the only business they did practically was the business of the Provincial Government?

A.—Practically the only business.

Q.—It was formed for that purpose?

A.—I cannot say why it was formed.

MR. LEWIS: Didn't Harris admit that?

MR. MCBRIEN: They did a certain amount of business one with the other and you said in connection with this purchase of \$16,000 of Winnipeg bonds \$10,000 was bought from one of the Harris Companies and then \$6,000 from another; that makes a total of \$16,000?

A.—Yes.

Q.—And you have no record of how any of those bonds were disposed of, according to the records of the Provincial Securities there is absolutely no record of how they were disposed of?

A.—No, with the exception in the Winnipeg, the case of the \$8,000, they were attached to the draft and forwarded to the Browning, Harris, Northey Co.

Q.—But there is no cross entry?

A.—The overdraft was paid.

Q.—And the bonds, what percentage of these were repurchased from Mr. Biggs of the \$16,000?

A.—During the whole of the time the whole \$16,000 at different times, whether they were sixteen bonds of \$1,000 or whether there was any duplication, I am not able to say, but the records are he sold them all back at some time or, at least, he sold \$16,000 back.

Q.—Which one of Harris' firms was that?

A.—Browning, Harris, Northey Co.

Q.—Was that the one Mrs. Biggs had stock in?

A.—No.

HON. MR. DOHERTY: Is that \$16,000 par?

A.—Par value, I am trying to keep to par as much as possible, because it is less complicated.

MR. CURRIE: This block of bonds was received from Toronto with draft attached as nearly as I can follow and the firm paid that draft, took the bonds up, apparently that will be the transaction?

A.—I cannot go that far, but the firm paid the draft.

Q.—Whether they got the bonds or not. And then the following day, was it?

A.—Yes.

Q.—Then the same amount of bonds was sold by Mr. Biggs through this firm?

A.—Yes.

Q.—That would mean then that in the meantime unless the bonds had been taken by Mr. Biggs—and there is no evidence to show he bought those bonds from the firm, is there?

A.—I have no record of any sale.

Q.—But the firm sold the bonds for him, or he sold the bonds to the firm?

MR. CLARKE: Some bonds.

THE CHAIRMAN: Same amount, same corporation, same denomination.

MR. MCBRIEN: Would those bonds be paid for twice by somebody?

A.—It would appear so.

MR. CURRIE: It appears from the books that the firm of Harris had paid the draft to get these bonds and then paid Biggs also.

THE CHAIRMAN: These were Winnipegs, and they were the same denomination, same amount, but you cannot swear to that positively because you haven't the serial numbers?

A.—I have the serial numbers from the first place, from the broker.

MR. CURRIE: Supposing that they were not the same and that there were two lots of bonds, assume there were two lots, which would appear as the thing stands now. Do the books of the firm at any stage show that this block that came with draft attached was sold again to anybody?

A.—We cannot say that, because the security day book is missing, the security ledger is missing. In this particular case these bonds were sold to Fred Skelton, of Hamilton. That is the only case we know of, sold by the Harris companies later.

MR. LEWIS: The block that had been purchased?

A.—Yes.

MR. CURRIE: This is very complicated, hold on. There was a block—the firm of Harris apparently bought a block of bonds which they sent up from Toronto with draft attached of certain denominations. Now, a day or so afterwards they bought a similar amount of bonds from Mr. Biggs?

A.—Yes.

Q.—Winnipegs; according to the transaction they would have two block of these bonds, isn't that right?

A.—They should have, if the first sale—

Q.—Is genuine, yes, or the second was genuine. At any rate they paid twice for a certain amount of bonds?

A.—Yes.

Q.—Having purchased those bonds, who did the firm sell them to, any record?

A.—Sold to Fred Skelton.

Q.—What do you call these, the block they got from Toronto or the block from Mr. Biggs?

A.—I cannot distinguish between the two blocks, because they are apparently the same block.

Q.—There was only one block sold?

A.—Only one block sold to Skelton.

Q.—No block of a similar character sold to anyone else?

A.—No.

Q.—Well, that clears the transaction up?

A.—There is this perhaps I should say, Harris was unable to explain this, but he did suggest that the Browning, Harris, Northey Co. had paid the overdraft with the Provincial Securities without getting any bonds for it. If that

is so, then the Browning, Harris Co. paid the overdraft of the Provincial Securities to clear them with the bank, took possession of the bonds.

Q.—Who took possession of the bonds?

A.—I don't know, signed for by George R. Harris when he released them from the bank, but it would appear from his explanation—he was not very clear, he could not remember the circumstances, that as a matter of fact there was only one block of bonds.

Q.—That was the block he bought from Mr. Biggs?

A.—Yes.

Q.—And the other transaction, he just simply honoured the draft and there were no bonds attached?

A.—That is what would appear from the explanation.

Q.—The Provincial Securities might have sold these bonds to somebody and Mr. Biggs bought them?

A.—I am not theorizing on that.

MR. MCBRIEN: Well, there is no record in the books of the Provincial Securities Co.?

A.—Of the sale of these bonds?

Q.—Yes?

A.—No other than that.

MR. CLARKE: I suppose this company might be returning some bonds, some of these bonds that are not sold, they may have them yet?

A.—Mr. Harris may have them now for all I know. He says he hasn't.

MR. MCBRIEN: How were they taken out of Provincial Securities?

A.—Usually released by Harris on signature to the Bank of Toronto.

Q.—On Harris' signature?

A.—Yes.

Q.—Well, there could still be, or should be, some of these bonds in the name of Provincial Securities yet?

Q.—You haven't accounted for the full?

A.—No we haven't accounted for the full.

Q.—There is a shortage of how much?

A.—There is nothing left in the Bank of Toronto.

Q.—Originally \$16,000. How much have we accounted for?

A.—We have accounted for the whole \$16,000 over a period of time, but it would appear as if there were duplication and only \$8,000 really accounted for.

Q.—Oh, that would be it?

A.—That is what I think from the explanation of Harris, which he tried to give me. He was not very clear.

Q.—It is just possible the bonds might have been washed through a second time?

A.—Quite possible, yes.

Q.—Bonds could be handed out and repurchased, couldn't they?

A.—Yes.

HON. MR. BIGGS: Mr. Harris is operating a firm in Toronto and one in Hamilton. If any client of his in Hamilton purchases a block of bonds he knew he had in his possession in Toronto and he came down to Toronto knowing they were there and took delivery of them there and delivered them to his client in Hamilton, he would naturally take delivery at the time he wanted to make use of them in Hamilton?

A.—Yes.

Q.—Any client in Hamilton that purchased, if he bought those bonds one day is there anything unreasonable to expect he turned them in in exchange for other bonds or cash or consideration the following day?

A.—I don't see any reason why he should not, the only thing that is unusual is that the Provincial Securities have released all these bonds everyone of them now, at later date, but they didn't get any proceeds that they accounted for.

Q.—I don't know anything about that part, but you have the Provincial Securities, a Harris Company, which in your evidence seemed to be Harris only, if the Harris Company in Toronto was a Harris Company, and the company in Hamilton was discontinued, is it not natural those bonds would get where, naturally get into one of those other companies if there were any left over.

MR. MCBRIEN: But some of these members of the other companies didn't know this Provincial bond company existed. This was Harris' private company.

MR. LEWIS: That was Harris' evidence.

MR. MCBRIEN: In other words, he double-crossed his own partners in Hamilton; he formed this company to milk the Government good and he never told his partners about it.

HON. MR. DOHERTY: Well, how could this firm in Hamilton accept the draft from Provincial Securities and never know about it?

MR. MCBRIEN: I am giving you his evidence.

THE CHAIRMAN: What Mr. Biggs suggests is possibly that Harris operating as Provincial Securities might go to the bank, withdraw certain securities, sell them to a client in Hamilton, and Mr. Biggs got them next day and resold them to one of Harris' other companies up there?

HON. MR. BIGGS: I suggest, Mr. Harris, possibly, if he wanted to use my name, or any client, sold certain bonds in Hamilton, he sold those bonds of a certain issue in certain bonds, because he knew he had them in his possession in Toronto; to complete that sale he comes to Toronto, signs for the bonds, takes them to Hamilton, delivers them to his client, that client either sells them to me for cash consideration or in exchange of bonds or some consideration.

THE CHAIRMAN: The entry is this, that he signed for them in Toronto, Bank of Toronto here one day, the following day his books show he purchased them from you.

HON. MR. BIGGS: Quite possible.

THE CHAIRMAN: You suggest he sold them to Smith, Jones & Brown and they sold to you?

MR. BIGGS: Use my name personally.

THE CHAIRMAN: I don't follow you. Do you suggest he got them in Toronto on a certain day and the following day took them to Hamilton and sold to you and the following day you sold them to him again?

HON. MR. BIGGS: Isn't that quite possible?

MR. CURRIE: Transactions don't work out that way. Provincial Securities apparently had a block of bonds up on loan and if they have released that loan there would be some record to show that they owned the bonds.

THE CHAIRMAN: Yes, of course there are two transactions, the first, that one dated June 22nd, what was it? They signed for them at the Bank of Toronto here 21st of June, and the 22nd his books show they bought them back from Mr. Biggs and were identified from the serial numbers, and then there is a second transaction in Grand Trunk Pacific which also went out here by draft and they come back from Mr. Biggs in the same mysterious way. I was trying to understand Mr. Biggs' explanation.

MR. LEWIS: I understood that what Mr. Nash told us that this block of bonds of \$8,000 was not taken away by Harris, but the records showed it was attached to a draft and sent to Hamilton?

THE CHAIRMAN: That is the second one.

MR. CURRIE: Does the record show the bonds were attached to draft?

A.—Attached to draft, sent to Hamilton, the draft was honoured by Browning, Harris, Northey & Co., and then Browning, Harris, Northey Co. bought \$8,000 Saskatchewan from Mr. Biggs the following day.

MR. LEWIS: There were not two withdrawals by Harris?

A.—Only one.

Q.—And they were attached and sent to Hamilton?

A.—Quite so.

Q.—They went to Hamilton with that draft?

MR. MCBRIEN: There is apparently no records in the books, records are missing, of this transaction?

A.—They are except this—

MR. CURRIE: Was there any record to show if they resold those bonds immediately after they reached Hamilton?

THE CHAIRMAN: No, the first lot, the one that he signed—

MR. CURRIE: No, I mean the second one that went out with the draft, they reached Hamilton and the draft was paid.

THE CHAIRMAN: By one of Harris' companies.

MR. CURRIE: Then what happened to the bonds?

THE CHAIRMAN: There is one link missing in the chain.

MR. CURRIE: They may have taken wings and flew.

THE CHAIRMAN: The cash entries only show one payment.

MR. CURRIE: Have you the day book entries for the two or three days there?

A.—Of course the day book is a bound book, there is nothing gone.

MR. MCBRIEN: We come to the Province of Saskatchewan, maturing 1936, \$4,000, what has your investigation led to in connection with these bonds? They are part of the original \$26,000?

A.—On the 14th of February, 1921, the Provincial Securities purchased \$10,000 of these bonds from George R. Harris who had purchased them two days previously through Morgan, Harris, Mulveney, from the firm of Toronto brokers, who have supplied us with serial numbers in this case.

Q.—Earmarking them?

A.—We have the serial numbers of those from the brokers. On the 5th of May, 1921, Browning, Harris, Mulveney & Co. purchase \$4,000 of Saskatchewan from Mr. Biggs, and on the following day deposit with the Merchants Bank in Hamilton four thousand and the Bank in Hamilton have in this case supplied us with serial numbers.

Q.—And they correspond?

A.—Which correspond with the serial numbers of four of the bonds originally purchased by the Provincial Securities.

Q.—There was originally \$10,000 purchased?

A.—Yes, \$10,000.

Q.—Then that issue was evidently split and there was \$4,000 purchased from Mr. Biggs of the original \$10,000?

A.—\$4,000 purchased from Mr. Biggs and deposited in the Bank at Hamilton, who gave us serial numbers of the bonds deposited. I cannot positively say that the bonds they bought from Mr. Biggs were the \$4,000 they deposited—

Q.—But they belong to the original \$10,000—

A.—I cannot definitely say the \$4,000 bought from Mr. Biggs were the \$4,000 deposited in the bank, but there are no other purchases in the security day book either the same or next day to that, that is as far as I can go.

MR. CURRIE: That is the only answer you can make?

A.—Yes.

MR. MCBRIEN: You got the serial number from the Merchants Bank?

A.—Yes.

Q.—And the serial number in the original purchase?

A.—Yes.

Q.—And the \$4,000 of bonds the serial numbers of which are got from the Merchants Bank—

A.—Yes.

Q.—Coincide with part of the \$10,000 issue which you got from the original brokers in Toronto?

A.—That is right.

Q.—These were bought, one lot?

A.—\$4,000?

Q.—\$4,000?

A.—Yes.

Q.—Any record of the balance of \$6,000?

A.—Well, I was going to deal with the balance afterwards. The entry in the day book is on page one, dated May 5th, bought from F. C. Biggs, West Flamboro, number one, \$4,000 Province of Saskatchewan 6 per cent. 1st of February, 1936's, at 98 with interest of \$51.29; on the same day those bonds were deposited in the bank at Hamilton, or on the same day \$4,000 of Saskatchewan, same amount, were deposited in the bank at Hamilton and the numbers were given us by the bank. Then continuing the Saskatchewan, on the 12th of May the Saskatchewan Securities are released by the Bank of Toronto and on the 14th of May \$4,000 were apparently resold to the Provincial Securities; that is to say, Provincial Securities now buy \$4,000 more Saskatchewan. On the 21st of June, 1921, George R. Harris signs the collateral account of the Provincial Securities Co. with the Bank of Toronto for \$2,000 of these Saskatchewan—this is a certified copy of the Provincial Securities account with the Bank of Toronto—and Harris signs for \$2,000 of Saskatchewan on the 21st of June.

Q.—21st of June?

A.—Indicating that he obtained possession of the bonds from the bank, and on the 22nd of June Browning, Harris, Northey Co. purchase \$2,000 Province of Saskatchewan from Mr. Biggs, and on the same day deposit with their bankers in Hamilton \$2,000 of bonds. The bank in Hamilton gives us the numbers of the bonds which correspond with two of the bonds originally purchased from the Toronto brokers.

Q.—By the Provincial Securities?

A.—By the Provincial Securities.

HON. MR. PRICE: Is that an identification of exact bonds?

A.—In this case the identification is of definitive bonds, where in the first place we got interim certificates.

Q.—You have also the serial number in this case?

A.—Yes.

Q.—And—

A.—And on the 28th of September, 1921, Browning, Harris purchase further \$2,000 from Mr. Biggs. We have no record of these being deposited in the banks and no record of serial numbers.

Q.—Total of \$10,000 purchased?

A.—\$10,000.

Q.—And how much bought back from Mr. Biggs?

A.—Total of \$8,000.

MEMBER: Did you find any sale from the books of these bonds of any of the Harris Companies?

A.—No.

Q.—No record of how Mr. Biggs got in possession?

A.—No, we cannot find that.

MR. CURRIE: At the Provincial Securities, where did they get this money that they were purchasing these bonds with, profits of the bond transactions with the Province?

A.—It is the difference between the price they purchased Province of Ontario bonds and sold them at.

Q.—And out of those proceeds they bought all these bonds?

A.—Out of the proceeds they bought these bonds.

MR. MCBRIEN: In other words, we assume this is part of the profits of the Provincial Securities?

A.—Well—

Q.—And represents an investment?

A.—It is the proceeds of the money received by the Provincial Securities from the sale of Government bonds over and above their purchase price.

Q.—Did Harris personally sign for these \$2,000 he took?

A.—He personally signed, yes. This is only a certified copy of the account. We saw the original.

Q.—He signed Provincial Securities?

A.—George R. Harris.

Q.—Did Provincial Securities have a bank account? Was Provincial Securities bank account Harris' personal account?

A.—No, under the name of Provincial Securities Co., not limited, Provincial Securities Co.

MR. CURRIE: Oh, I see, not registered at all?

A.—No.

Q.—And what names were subject on the cheque, just Mr. Harris' only?

A.—I think Mr. Snider.

Q.—Oh, yes; there was a supposed Mr. Snider. Has he turned up yet?

A.—I have never seen Mr. Snider.

Q.—He was supposed to be down in Cuba or California?

HON. MR. PRICE: Did you endeavour to check up—

A.—There is a sample cheque signed Provincial Securities, Toronto, per Charles Snider, by Attorney, George R. Harris.

Q.—Could you find any record of this by checking up in the security day book?

A.—We find the purchases from Mr. Biggs in the security day book, yes, but we do not find anything in the security ledger or the ledger of Mr. Biggs' account.

Q.—All the sheets were missing?

A.—Yes.

Q.—Did you find any other sales made around this date by this company of Saskatchewan bonds?

A.—No—you mean purchased?

Q.—I should say purchased?

A.—No.

Q.—And no record of any sales at all?

A.—In Provincial Securities? Not of these particular bonds.

Q.—In other words, the records show they bought them twice, once from the original firm of Toronto brokers and once from Mr. Biggs?

A.—Well, two companies were operating.

Q.—Both Harris companies?

A.—The records show Provincial Securities Company bought them from the Toronto brokers and Browning, Harris, Northey bought them from Mr. Biggs, and there is no sale—

Q.—When Mr. Harris signed for these bonds at the Bank of Toronto and took them away, did he deposit any funds for them in lieu of them?

A.—No, I cannot say that he did, Col. Price. He made certain deposits in the Provincial Securities account from time to time and from the proceeds of the sales of his Province of Ontario bonds to the Government—

Q.—That is the Provincial Securities bought various sets of bonds and resold?

A.—Yes.

Q.—And the profit that they made or the excess over what they paid for them was deposited in his account or remained in the account. Then when Harris took away say \$2,000 Saskatchewans and signed his name for them he didn't leave anything there in its stead?

A.—No.

Q.—Therefore, I presume he might sell these bonds or deal with them in any way he liked?

A.—Yes.

Q.—If he had them out and signed for them?

A.—Yes.

Q.—In this case of the Saskatchewans, when he had these \$2,000 Saskatchewans, can you trace these actual bonds, \$2,000 Saskatchewans?

A.—When he took them out of the Bank of Toronto?

Q.—After. We know he had them in his hand. Can you trace where they went?

A.—No.

Q.—The only thing that looks anomalous, probably, is that Browning, Harris & Company bought \$2,000 of the same series and the same amount from Mr. Biggs on the day following?

A.—Yes.

MR. LEWIS: Are the serial numbers the same?

A.—The serial numbers of the bonds that Browning, Harris Co. deposited in the bank are the same. What I am not able to state is whether, having purchased \$2,000 of Saskatchewan from Mr. Biggs, that they took the same \$2,000 of Saskatchewan to the bank. All I am able to say is there is no record of them having purchased any other Saskatchewans, but I cannot positively say, of course, that they did put the same two bonds into the bank.

MEMBER: Would you say that was peculiar in the handling of bonds. Was there anything irregular about that in the handling of bonds?

A.—I would not like to say that the Harris Companies did anything irregular in the purchase of bonds that is in the regular way of business, I don't know that they did.

MR. LEWIS: What you can say is this; that they bought \$2,000 of Saskatchewan bonds from Mr. Biggs?

A.—Yes.

Q.—There is no record in their books of them having purchased any similar on a near day?

A.—No.

Q.—They deposited \$2,000 Saskatchewan in the bank?

A.—Yes.

Q.—And the serial numbers of those two bonds they deposited correspond with the serial numbers of two of the bonds that Provincial Securities originally purchased from the Toronto brokers?

A.—Quite right.

Q.—In other words, there was no other sales or purchases around this date that would make any confusion or make the transaction misleading? In other words, you could not get this sale confused with any other sale if the records showed they had no other purchases or sale in bonds?

A.—There was no other records of any purchase or sale.

MR. CURRIE: What was the total amount of the profits of the Provincial Securities, do you remember?

A.—\$31,830.41.

Q.—Roughly speaking, \$32,000?

A.—Yes.

Q.—What was the total amount of the transactions in those sales by Mr. Biggs?

A.—\$26,000, that is to say Mr. Biggs purchased \$26,000 of bonds of the same description and maturity.

MEMBER: Sold.

A.—He sold \$26,000.

Q.—Approximately \$32,000?

A.—Approximately \$26,000.

MR. MCBRIEN: We will get back to this A. G. Browning loan. Mr. Harris swore that out of the profits of the Provincial Securities he made a personal advance of \$5,000 to A. G. Browning. Now what do you find in checking up? Personal loan, or advance?

A.—We find that Mrs. Harris paid Mr. Browning \$2,000 in December, 1921; George R. Harris paid \$1,500 in December, 1922.

Q.—Were these the cheques of the Provincial Securities?

A.—These were the personal cheques of Mrs. Harris and George R. Harris —Mrs. B. B. Harris.

MR. CURRIE: Paid to Browning?

A.—Paid to Browning.

Q.—There is no record of Provincial Securities ever loaning any money to Mr. Browning?

A.—No.

MR. CURRIE: Well, there was another gentleman, Dr. Caldwell.

THE CHAIRMAN: Caldwell?

MR. CURRIE: Yes.

MR. MCBRIEN: The total advances you find made by Mr. Harris and his wife to Browning total \$3,500?

A.—That is as far as we can find it.

Q.—How were they advanced, by cheques on the private accounts?

A.—Yes. Mrs. Harris drew a cheque to A. G. Browning and he endorsed it and deposited it in the bank. The cheque is dated 23rd December, 1921, payable to Arthur G. Browning and signed A. G. Browning and marked "good" on the back.

Q.—Browning was a stock holder in one of the Harris Companies along with Mr. Biggs, wasn't he?

MR. CURRIE: Hold on; not at that time?

A.—No, Arthur G. Browning was a partner in the firm of Browning, Harris, Northey & Co., but he was not a director of the previous company.

Q.—He was not in the limited liability company?

A.—No. He is in the present company.

Q.—There are two limited liability companies?

A.—Well, there is only one operating now.

Q.—There were two?

A.—The companies of Harris were Morgan Dean, Harris & Co., which was not incorporated, followed by the Morgan Dean, Harris, Mulveney Co., Limited, that company is practically out of business although it has not wound up its business or surrendered its charter. Then Browning, Harris, Northey Co., of which Browning is partner, followed by Browning, Harris Co., Northey having dropped out, of which Browning is a partner, followed by the present firm, Browning, Harris, Denman Co., Limited, of which Mr. Browning is president.

MR. LEWIS: He came in in 1921 and has been in different companies ever since?

A.—Yes.

MR. MCBRIEN: These advances, when were they made?

A.—Mrs. Browning issued her cheque, I think, 23rd of December, 1921.

Q.—And the second advance?

A.—Harris advanced \$1,500 in December, 1922.

THE CHAIRMAN: This will be exhibit number 1 of this year.

MR. MCBRIEN: The second advance was made when?

A.—On the 7th of December George R. Harris issued a cheque on his personal account in the Union Bank for \$650.

Q.—Well, how long was this after these unusually large profits were made by the Provincial Securities?

A.—About a year and a half.

Q.—The company would be out of business at that time?

A.—The Provincial Securities was not operating after the fall of 1921.

MR. LEWIS: It was a year later than that this loan was made?

MR. MCBRIEN: Eighteen months, one loan; this was made before the general election?

A.—On the 18th of December, 1922, Mr. Harris draws a cheque on his personal account in the Union Bank for \$850.

Q.—None of this money came from the account of the Provincial Securities directly?

A.—Directly, no.

Q.—Harris showed out of the profits of Provincial Securities he made this loan, or advance—

A.—Well, Provincial Securities did not advance any money to Mr. Browning.

Q.—As a matter of fact they were not existing at that time?

A.—Not doing business at any rate.

Q.—Did you find an account of Browning's?

A.—Well, I was produced this note of Browning's, 1st of January, 1923, for \$5,000.

THE CHAIRMAN: Note dated at Edmonton, January 18th, 1923, for \$5,000, payable on demand to Mrs. G. R. Harris, for \$5,000?

A.—You will notice the attachment.

THE CHAIRMAN: Interest payable half-yearly, A. G. Browning. That is Exhibit 3.

MR. MCBRIEN: The note is dated January 1st, 1923, two years after the first advance was made; no, one year and eleven months after the first advance was made, and about a month and a half after the second advance was made.

THE CHAIRMAN: Was the note ever paid? We haven't any evidence?

A.—We have no evidence it is paid.

MR. MCBRIEN: Here is a discrepancy, Mr. Nash. Harris produced at this Committee demand note, 18th December, 1923, for \$5,000, signed A. G. Browning, and a memorandum setting out, made by Browning, showing he received \$4,990 in November and December, 1921; that naturally would not cover the advances made in December, 1922.

A.—No.

Q.—Which was a year afterwards, and yet this note was given a month after the second advance was made?

A.—Yes.

MR. CURRIE: Chronologically let us have it.

MR. MCBRIEN: Harris comes before this Committee and he produces a note, a demand note, for \$5,000.

MR. CURRIE: Come forward. Harris appeared before this Committee and there was a discrepancy and a missing \$5,000 and he was asked to tell what he did with the money, and he couldn't. He hemmed and hawed for a long time and said he paid it to his father-in-law, Mr. Browning.

MR. MCBRIEN: Yes.

Q.—What was the date of that?

MR. MCBRIEN: In his evidence he said it was for advances made—he gave a list of advances made. Harris produced demand note dated 18th of December, 1923, for \$5,000, signed A. G. Browning, and a memorandum from A. G. Browning stating that he received \$4,990 in November and December, 1921. Well, since that, a year and a half after that, a further advance was made, according to the exhibit we have there, of how much?

THE CHAIRMAN: The first cheque is for \$850, dated 18th of December, 1921, made by George R. Harris on the Union Bank to pay Royal Bank to the credit of Browning; the second cheque is December 7th, 1922, the Royal Bank, and the third cheque is \$2,000—

MR. CURRIE: Get Mr. Nash to put that on the evidence.

MR. MCBRIEN: Harris comes before this Committee last year, produces a \$5,000 note for advances made up to 1921. You find on investigation there has been additional moneys advanced after this alleged money was advanced and between the time the note was given. He states in his evidence this note was for advances up to the 18th of December, 1923. We find in December, 1923, we have voucher there showing further loan was made to Mr. Browning?

A.—No, it is December, 1922. I think this will clear the thing. Harris stated last year he had advanced Browning \$5,000, and he produced a demand note dated 18th of January, 1923, for the \$5,000, signed by Mr. Browning, and

a memo said to be made by Browning showing he received \$4,990 during November and December, 1921.

THE CHAIRMAN: This is Exhibit 4, and attached to that is somebody's handwriting, November, 1921, \$2,000, and December, 1921, \$990 and \$2,000, making a total of \$4,000—

MR. NASH: So that the evidence was Browning had received \$4,990 during November and December of 1921 and he had given a note of \$5,000 to cover that. We have found two cheques of Harris in December, 1922, aggregating \$1,500, which would appear to be in addition to that, but we only find, all the advances we can find from the evidence given amount to only \$3,500.

THE CHAIRMAN: Or, in other words, the cheque for \$2,000, Exhibit 1, might correspond to one of the items of \$2,000, but these two other cheques, Exhibits 2 and 3, for \$850 and \$650, would not appear to be included in the \$5,000 note?

A.—No, not from the dates.

MR. CURRIE: Any record that \$5,000 was paid back to Harris?

A.—No.

Q.—Now what is the date of that note?

A.—18th of January.

Q.—What is the date of the discrepancy? He gave evidence that he gave \$5,000 to Browning and we asked him when; that is all on record; have you checked up whether these jibe, the dates?

A.—No, I don't think he was very definite.

MR. CURRIE: He was very indefinite.

MR. MCBRIEN: You could find no records of any ledger accounts of A. G. Browning in any of the Harris' books?

A.—In the earlier company only, in the Mulveney Co.

Q.—In recent companies there was no ledger leaves?

A.—No.

Q.—Anything in the cash book?

A.—No.

Q.—No record at all of any kind?

A.—No.

MR. GRAVES: Those accounts were missing as well as the Biggs' account?

A.—Apparently so.

MR. MCBRIEN: Harris in his evidence last year stated that \$4,000 of the profit of the Provincial Securities Co. were paid as a loan to A. C. Caldwell. In your investigation you find that how much was advanced?

A.—We found four cheques signed by Harris in January, February and September, 1922, the total of that being \$1,900.

Q.—Favour of Caldwell?

A.—Favour of Caldwell. But there is an account in the books of Browning, Harris Co. showing an amount due from Caldwell of \$4,050.

Q.—As a loan?

A.—Well, it is an amount. It is made up of several amounts. This was produced before the Committee last year in Exhibit 190. It shows in November, 1921, there was a payment to Caldwell of \$100 and January, 1922, \$200, which was repaid in February; it shows on the 9th of February, 1922, Caldwell purchased \$2,700 of Victory bonds and paid for them and then, February and March, 1922, there are three cheques amounting to \$700, on the 20th February, 1922, a charge of \$2,350, marked Mrs. B. B. Harris, indicating that perhaps she advanced this money to him and on the 22nd of June a cheque for a thousand,

leaving the balance owing by Caldwell in the books \$4,050. But these items do not correspond with the cheques that I mentioned as having been paid by Harris to Caldwell.

Q.—These items are in the Browning, Harris Co.?

A.—Browning, Harris, Northey Co. books.

MR. MCBRIEN: That would not coincide with the statement made by Harris that the money had been advanced by the Provincial Securities?

A.—Money was not advanced by the Provincial Securities, direct at any rate.

Q.—Direct?

A.—Not direct.

Q.—When was this money advanced?

A.—In January, February, 1922, by Harris.

Q.—And according to the Browning, Harris, Northey Co. books advances—

A.—In March, April and June, 1922.

Q.—Was Provincial Securities in business at that date?

A.—Not operating.

Q.—How long had they been out of business?

A.—It went out of business June—I think, 1921, or September, 1921.

Q.—So that you found, altogether, how much money advanced to Dr. Caldwell?

A.—We found definitely \$1,900, but the Browning, Harris, Northey Co. indicate he owed them \$4,050, so part was an advance by Mrs. Harris—do you want to produce those cheques?

THE CHAIRMAN: Probably we had better put them in?

A.—January 14th, 1922, cheque for \$100—

MR. LEWIS: From Mr. Harris?

A.—From Mr. Harris.

THE CHAIRMAN: Exhibit number 5.

A.—28th of January, 1922, cheque for \$300 from Mr. Harris.

THE CHAIRMAN: Exhibit 6.

A.—11th of February, 1922, cheque for \$500, signed by Harris.

THE CHAIRMAN: Exhibit 7.

A.—And on the 29th of September, cheque for \$1,000, signed by Harris.

THE CHAIRMAN: Exhibit 8.

MR. MCBRIEN: Now, Mr. Chairman, I am through.

THE CHAIRMAN: Any other member wish to ask questions?

MR. CURRIE: I would like to know from Mr. Nash, just to clear the atmosphere, if in his examination of these papers he found any corroboration of that statement of Mr. Harris' last session, anything to show that there was anything substantial in that statement that he gave \$5,000 to his father-in-law?

A.—We found two cheques of his for \$1,500, and cheques of his wife for \$2,000—

Q.—Making altogether \$3,500?

A.—Yes.

Q.—But no \$5,000 cheque?

A.—No.

Q.—Nothing of that kind?

A.—No.

HON. MR. RANEY: I suggest to Mr. Biggs, in view of the applications of these transactions—they are all Greek to me—that he should ask that Mr. Nash might hold himself in readiness to come before the Committee at a later date. His evidence appears to me to be perfectly fair, but there must be mat-

ters that call for some explanation, and I am not in a position to conduct any examination now. Mr. Biggs asks, too, that if there are any other witnesses in this matter that they be called so that the matter may be closed up as quickly as possible so far as his case is concerned, that appears to be directed against him, because evidently some of these things are, and as soon as the case is complete he desires to go in the box and submit to examination. In the meantime, what I desire to ask is two things, first, Mr. Nash will come back again if it is desired; and secondly, that the case may be completed so far as anything pointing to Mr. Biggs is concerned.

THE CHAIRMAN: Mr. Nash is available in case you need him. That is reasonable enough.

MR. CURRIE: He is always available.

HON. MR. BIGGS: I don't propose this morning—I want to make a statement to the Committee and also give evidence if the Committee wish to ask me questions, but this morning I think I have followed as closely as has been humanly possible this explanation, and I would not want to give an explanation until I have an opportunity of reading the evidence, and Mr. Nash has offered to give me an opportunity of seeing some of the statements. I want also to take the matter up and find if I can discover any papers or anything in connection with these transactions in which my name has been involved. I may say I was not before the Committee on Friday because the notice I received, it said for organization purposes. I am not finding any fault whatever, but I have to say if I had known this matter was going on that I would have been before the Committee on Friday by sending out wires and telegrams and stopping the business I had made for that day. It would be impossible for me to make a statement. When I may make a statement I want it just as close to the facts as absolutely possible, because in regard to this matter I never received a bond from Mr. Harris or anybody else in this Province of Ontario that I didn't pay for either by cash, note or bond, or exchange of bond, or something that way, and I don't know anything about Harris' books, as to his system of bookkeeping at all, in any shape or form. There seems to have been a great deal of juggling between company and individual which I know nothing about. Just as soon as the Committee has completed their evidence in regard to this matter I would like to have, if we wish—I don't know as we do, Mr. Nash's evidence has been very fair—if there is anything we wish to ask him that on a later day as quickly as I can have a copy of the evidence and a few minutes to get vouchers together, I would like to have the privilege of appearing before the Committee.

THE CHAIRMAN: As far as Mr. Nash is concerned he will be available, and as far as you are concerned, you simply made the statement to-day that you will give evidence, and cross-examination.

HON. MR. PRICE: Just a couple of questions. City of Moose Jaw $4\frac{1}{2}$ per cent. 1950, did you give evidence on that one? As I recollect now—I was not here part of the examination the other day—but as I recollect, there is the Province of Saskatchewan you have gone over, City of Winnipeg and Grand Trunk Pacific. Now I am not just clear that you have said anything of the City of Moose Jaw?

A.—No, Col. Price, I didn't.

Q.—Is there anything in the City of Moose Jaw's that you need comment on?

A.—I think not. This appears to have been bought back from Mrs. Harris, the same way as the other bonds were bought from Mr. Biggs, or the same kind of bonds bought from Mr. Biggs bought from Mrs. Harris.

Q.—Well, Harris would take these City of Moose Jaw $4\frac{1}{2}$ per cent. £200 from the Provincial Securities account, Bank of Toronto?

A.—Yes.

Q.—And then Mrs. Harris apparently got them?

A.—Mrs. Harris sold them later to the Browning, Harris Co.

Q.—And Harris in his evidence, I think, last year said he had absorbed all these bonds himself or Mrs. Harris had?

A.—Yes, I remember—

Q.—He said no one else had got them. Well, then, the City of Edmonton, 5 per cent., 1923, £600?

A.—All I can find is they are released from the Bank of Toronto 21st of June, to whom I don't know, and there is no record of any subsequent purchase of those bonds in the Harris Company.

Q.—Going back to the City of Moose Jaw, I see Mrs. Harris kept her current account in the Bank of Hamilton?

A.—Yes.

Q.—And the cheque payment for this is missing?

A.—That is so.

Q.—There was not any cheque—or was there a cheque issued and missing? Was there a cheque issued and it is missing?

A.—Oh no, the cheque was issued by the Browning, Harris, Northey Co. in face of the purchase from Mrs. Harris and is charged in the Browning, Harris Co. books, but the cheque is missing.

Q.—The cheque is missing; I see. In the City of Edmonton 1923 £600, is there anything unusual about that?

A.—Nothing except the fact that they were released and we find no further record. We don't find them bought.

Q.—Harris went in and picked out these bonds, City of Edmonton, 5 per cent. 1923, £600 signed his name for them, and you don't know where they went?

A.—No.

Q.—No record where they went?

A.—No record of where they went.

MR. CURRIE: Did you go to the broker?

A.—No record.

Q.—You didn't go to the broker he bought them from?

A.—We have no record.

Q.—You couldn't get the serial number?

A.—No.

HON. MR. PRICE: These City of Edmonton 5 per cents. 1953, £200?

A.—These were purchased back from Mr. Browning on the 22nd of June, 1921, paid for by the Browning, Harris, Northey Co., the cheque is not available, the cheque is missing, and the call loan account in the Bank of Toronto of Provincial Securities shows they were released under the signatures of Harris on the 21st of June, the day before they were bought back from Browning by the Browning, Harris, Northey Co.

Q.—Then is it fair to say, Mr. Nash, that Harris got these securities from his account in the Bank of Toronto; he gave some of them apparently, he admits he gave some to his wife?

A.—Yes.

Q.—She sells some of these to Browning, Harris, or one of these companies?

A.—Yes.

Q.—Well, then we found out also that Mr. Browning sells other securities taken from Provincial Securities to Browning—

A.—Yes.

Q.—And gets paid for it?

A.—Yes.

Q.—And we find also Mr. Biggs sells some stocks of a similar nature and tracing them apparently by their number to a similar amount?

A.—Yes.

Q.—That practically there is Mrs. Harris, Browning and Biggs are in pretty nearly the same position?

A.—They all sold the bonds back.

Q.—All sold bonds back?

A.—To the Browning, Harris, Northey Co.

Q.—Same amount, same issue, and so on?

Q.—Let us place the Alberta and Great Waterways, 5 per cent., 1959.

A.—Well, there were \$10,000 of these unaccounted for in the Provincial Securities profits. On the 6th of May, 1921, Browning, Harris, Northey Co. bought \$4,000 from A. G. Browning; on the 13th of June, 1921, they bought \$2,000 from Mrs. Harris; and on the 28th of September, 1921, bought \$6,000 from Mrs. Harris.

Q.—Yes?

A.—That makes a total of \$12,000 accounted for as against \$10,000 unaccounted for, and the difference of \$2,000 appears to have been purchased by Browning from Morgan, Dean, Harris & Mulveney, which is another of Harris' companies.

Q.—These are the same bonds that came out of these Provincial Securities Company?

A.—Same maturities, same descriptions.

Q.—And you have Browning, Harris sometimes buying, sometimes selling?

A.—Yes, Browning is selling and buying.

Q.—Are there any other securities now that Harris had in his Provincial Securities account that you have not traced out of the account?

A.—No, that accounts for the whole lot of unaccounted for bonds.

Q.—There was nothing left in the account? The account was closed out?

A.—No, the account was closed up.

Q.—And is there anything else on that part to-day, Mr. Nash, that you think you should tell the Committee or that they have not got?

A.—I don't think so, sir; those are all the facts that we have as taken from the records which were produced for us. We haven't attempted to theorize or apply any opinions.

Q.—Just the dates for a minute, I don't think we have got the dates of these Moose Jaws—Moose Jaw $4\frac{1}{2}$ per cent., that were taken out by Harris from the Provincial Securities on the 18th of October, is that right? What date were they taken from the Provincial Securities?

A.—The collateral account of the Bank of Toronto does not show these bonds. We don't know what date they were taken from the collateral account of the Bank of Toronto, but we know the date they were purchased from Mrs. Harris—18th of October, 1921.

Q.—City of Edmonton?

A.—City of Edmonton were released from the Bank of Toronto on the 21st of June, 1921. So far as the 53's were concerned they were not re-purchased—

Q.—You could not trace these?

A.—So far as the 53's, they were released 21st of June, 1921, and purchased by the Browning, Harris Co. from Browning 22nd of June.

Q.—Just a day between?

A.—Just a day between.

Q.—Provincial Securities, Bank of Toronto, in Toronto, Browning, Harris—just a day comes in?

A.—Yes.

Q.—Alberta Great Waterways?

A.—Four thousand were purchased 6th of May, 1921, from Mrs. Harris; two thousand on the 13th of June from Mrs. Harris; and six thousand on the 28th of September.

Q.—Yes, that was over a further period?

A.—Yes.

MR. CURRIE: Was there anything to show she got these from Provincial Securities?

A.—Nothing.

Q.—Well, is there any inference that they were given to her by the Provincial Securities?

A.—The only knowledge of that I have is from the statement Harris made himself, that all these bonds were either used by himself or given to his wife.

MR. PRICE: Let us take the Caldwell loan for a minute, Mr. Nash. Harris, as we know, swore that he paid \$5,000 or \$4,000 to Dr. Caldwell. Now, do these payments made coincide with Caldwell's account?

A.—No, none of them.

Q.—It is quite clear when Harris gave evidence and he said there was a loan out of this money, four thousand, to Dr. Caldwell, that the evidence in the Browning, Harris, Northey books does not coincide with it?

A.—No.

Q.—What does it show in connection with that loan?

A.—It shows Dr. Caldwell as a debtor to the Browning, Harris, Northey for \$4,050 of which \$2,350 according to the entry in the books is transfer from Mrs. Harris, it does not show any of the \$4,050 that was a debt of his to the Browning, Harris Co. was any part of the profits of the Provincial Securities?

Q.—Well, as a matter of fact, no moneys were paid out of Provincial Securities for Harris?

A.—No.

Q.—He got them from Browning, Harris, or one of these companies, and it was paid out of this company, or his personal account?

A.—That is so.

Q.—Let us try and trace—the books show \$2,356 was paid, was there any record of the balance?

A.—Yes, there is a record of three cheques. In February and March of \$700 and cheque in June—

Q.—How much did that amount to?

A.—\$1,700.

Q.—Well, does that make up the full \$4,000 of the loan?

A.—No.

Q.—I am trying to trace the discrepancy?

A.—There is no connection between the four cheques that Harris produces and the account in the Browning, Harris books showing indebtedness from Dr. Caldwell. In the first place there is no connection between these at all,

when we turn to the books we find Caldwell is indebted to \$4,050 of which \$1,700 appear to have been cash advance from the company and the other is transferred from Mrs. Harris' account.

Q.—So when Harris said there was a loan of \$4,000 there it doesn't appear at the time at all—a \$4,000 item?

A.—No.

Q.—It is made up over a period, part in cheque, part in cash—

A.—1922.

Q.—How long would that be after these transactions?

A.—From six months to a year. The only cheque we find from the Browning, Harris payable to Caldwell was one of these mentioned in Exhibit 198, produced last year, \$200.

Q.—So there were four cheques of Harris and in addition the cheque dated March 14, 1922, for \$200 to Dr. A. C. Caldwell, but Harris' own cheques were out of his own account?

A.—Yes.

Q.—Or out of his wife's?

A.—Yes. Out of his own account.

Q.—And this cheque is one of Browning, Harris, Northey & Co. Well, just close this matter up so we can call Mr. Caldwell probably next day and get this in shape; is there any record, Mr. Nash, of a transfer of any cash from Provincial Securities Co. to Browning, Harris & Co.?

A.—No.

Q.—Has there been any transfer of cash by cheque from the Bank of Toronto account through to any of the Harris Companies?

A.—No.

Q.—Therefore, the profits that were made by the Provincial Securities Co. or the excess of what they received for these bonds over what they paid for them, that amount running over \$30,000, was never transferred by cheque to any of the Browning, Harris Companies?

A.—No.

Q.—That is right. And it was all put into bonds and the bonds held there?

A.—Yes.

Q.—Held there I suppose, what, as collateral security?

A.—Some of them held as collateral security account. Some were not.

Q.—So that in tracing this \$30,000 or more you have got to trace it through the bonds that were purchased?

A.—That is quite right.

Q.—So that if any cheques were made by Mr. Harris from his personal account or from these various firms that he was connected with, to charge it up to this Provincial Securities Co. these bonds must first be converted into cash?

A.—There is no transfer.

Q.—There is really no transfer?

A.—No transfer of cash. The profits were used for the purchase of bonds and the bonds are the ones I referred to this morning.

Q.—Let us get that clear so we can close this up next time. What they did with the \$30,000 was this: they bought bonds of various classes, like Saskatchewan, Winnipeg, and Grand Trunk Pacific, transferred, changed the money into bonds, and the bonds were held there. Therefore, when Harris wanted to take these bonds away he went to the Bank of Toronto and signed for them and took away whatever bonds he liked?

A.—Yes.

Q.—He was the sole proprietor, as he swears; he took these away?

A.—Yes.

Q.—Then he was the man that disposed of this profit. He might give it to anybody, I presume?

A.—It was his profit.

Q.—It was his as far as his evidence goes. And we next find some of these went to his wife, apparently the same numbers and denominations and amounts, a day or the day following, some went to Browning, but what he took out was sold by Mr. Biggs to the Browning, Harris Co. the following day?

A.—Yes.

Q.—Therefore, what we have got to trace—

A.—Yes.

Q.—Who really became the owner of those bonds, I think that is fair. Or, put it another way, the practice in the operation of this Provincial Securities account was not to withdraw in the ordinary way by cheque. The profits were never to be paid out by cheque?

A.—No.

Q.—It was put in the form of bearer bonds, whatever the object was that is the fact anyway?

A.—Yes.

MR. LEWIS: And the amounts that we trace through bonds is practically the entire profits made by Provincial Securities on these transactions?

A.—Yes, we have accounted for indirectly account for the whole amount.

Q.—He gave us profits of about \$31,000 and you have traced approximately that amount?

A.—Yes.

THE CHAIRMAN: Is there anything else? It has struck one o'clock. Mr. Caldwell is in attendance; it would hardly be well to start his evidence now.

MEMBER: When does this Committee meet again?

HON. MR. PRICE: I would suggest we meet again Friday morning and hear Mr. Drury. I think that has been arranged by Mr. Raney, and that we also hear Dr. Caldwell that morning, and there is plenty of other evidence to go on with, and then if we get other witnesses we can go on Wednesday.

MR. SINCLAIR: I was going to suggest regarding Smith and Matthews, we should have fixed a day.

THE CHAIRMAN: You were going to let us have a day.

MR. SINCLAIR: I was wondering, say Wednesday morning of next week.

THE CHAIRMAN: What do you wish us to do, send a subpoena?

A.—Send a subpoena. What you will have to do is to get in touch with the Minister of Justice.

THE CHAIRMAN: You want me to take that up?

MR. SINCLAIR: What I would like to arrange with the Committee is getting a day. It is hardly possible for me to be here when the House is in session, and any witnesses I examine I would like the privilege of having them in the forenoon.

THE CHAIRMAN: You mean if we sit concurrently you witnesses will be arranged so you can be in attendance.

MR. SINCLAIR: Yes, what I was going to say—Wednesday morning is one of the regular mornings, and I can be here.

Q.—These other witnesses—

MR. SINCLAIR: Just Smith and Matthews.

THE CHAIRMAN: Do you want them in the interval?

MR. SINCLAIR: I will let you know about that. I was going to suggest that Friday you have Mr. White and—

THE CHAIRMAN: Let us clear it up. Smith and Matthews for Wednesday the 8th. This is the 1st. And the other witnesses?

MR. SINCLAIR: Probably Friday morning. You will have a meeting early in the week; then Wednesday.

THE CHAIRMAN: On Monday we might possibly do a good deal of the work of this Committee. Well, you consider what method you want adopted as to Smith and Matthews?

MR. SINCLAIR: Yes, I will see you at 3 o'clock this afternoon.

THE CHAIRMAN: Then there are others; White, of course, is available.

MR. SINCLAIR: I will be ready for him, if necessary, on Friday.

The Committee then adjourned to meet again Friday morning, April 3rd, 1925.

PUBLIC ACCOUNTS COMMITTEE.

The Committee reassembled Friday morning, April 3rd, 1925, at 10 a.m., with Mr. Finlayson in the chair.

THE CHAIRMAN: Gentlemen, you remember I mentioned the matter of reading the minutes. The minutes of last meeting are very, very simple, just, I think, practically nothing. Are you ready to dispense with the reading of the minutes of last meeting?

MEMBERS: Dispense.

THE CHAIRMAN: Carried.

MR. WILSON (Windsor): Mr. Chairman, I want to speak to a matter of greatest public concern in connection with this investigation. An impression has to a considerable extent got abroad throughout this Province that a former Provincial Treasurer under a Conservative regime was guilty of some kind of improper conduct in connection with his administration of that trust, this Treasurer, of course, belonging to the same party as that that is now in power in this Province administering provincial affairs.

Now, the impression has also got abroad that there has been a studied attempt to smother any reasonable enquiry into the suspicion that I first made reference to, and that has been left in the manner I have mentioned, and with that attempt—

MR. SINCLAIR: Might I ask the honourable member—

MR. WILSON: I have a motion.

MR. SINCLAIR: Oh, you are proposing a motion?

MR. WILSON: Yes. And that an attempt has been made—no discrimination is made of the members of the Conservative party, whether they have been here twenty years or whether they have been here eighteen months or since the last election. As an illustration—I do not say this was done intentionally, but I want to speak as to the fact and that is just as serious, regardless of the intention.

MR. SINCLAIR: Mr. Chairman—

MR. WILSON: I have a motion.

MR. SINCLAIR: Never mind what you have.

MR. CURRIE: Sit down.

MR. SINCLAIR: I will sit down when I am ready. At the last meeting it was definitely ruled there would be no political speeches. The honourable member gets up and starts to make a political speech; if he wants to make his motion let him state his motion.

MR. LEWIS: You realize, of course, while the chairman deprecates any political speeches, you cannot prevent a member saying what he wants to say if he keeps under parliamentary rules.

MR. SINCLAIR: It just depends on which party the speech comes from.

MR. WILSON: Ridgetown is close to the riding that it is my honour to represent. Some months ago, shortly before, some little time before the opening of this session, the honourable leader of the Liberal party went down there and made a speech.

MR. SINCLAIR: I will go again, too.

MR. WILSON: He left the impression, the suspicion that I have made reference to—

MR. SINCLAIR: I always leave an impression.

MEMBER: That is about all.

MR. WILSON: What I want to say—this gentleman is not an ordinary private member. He speaks with the responsibility—sometimes I wonder if he really has it—

MR. SINCLAIR: Now, Mr. Chairman.

THE CHAIRMAN: I suggest you confine your remarks to the subject.

MR. CURRIE: He is quite in order.

MR. WILSON: The Honourable the ex-Attorney-General has volunteered to go in the witness box. Now we have here the honourable leader of the Liberal party. Whatever basis there is for the statements that he has been making he knows now, and my consideration is to the matter of a resolution to have the gentleman summoned to give evidence before the Committee, and let us see whether he knows anything or not. Now it may be he won't want to be forced to be summoned. He is here. What he has said he knows, and what there is to base it on he knows. And my suggestion is that he consider whether he would take the same course as the ex-Attorney-General and here and now go in the witness box and let us know whether it is all rubbish or not.

MR. SINCLAIR: The honourable member has a motion like his speeches in the House—there is nothing in it.

THE CHAIRMAN: Have you a motion or are you making a suggestion?

MR. WILSON: It never dawned on me it would be necessary to take legal measures of forcing this gentleman to take the witness box and I want to make the suggestion he go in.

MR. SINCLAIR: When a member of this House stands up and makes a speech contrary to the rules of this Committee, contrary to the ruling of the Chairman, and states he has a resolution to move and has no resolution, I am not going to deal with any member that has so little sense of propriety in the Public Accounts Committee as the member for Windsor.

MR. WILSON: All right; I will offer it as a resolution. I haven't a seconder—

MR. CURRIE: I second it.

MR. WILSON: I move Mr. Sinclair be examined to give evidence at this Public Accounts Enquiry as to what he knows or doesn't know.

MR. CURRIE: I think you had better cut out what he doesn't know.

MR. SINCLAIR: I think you had better vote the issue.

MR. CURRIE: I second it.

MR. WIDDIFIELD: The only man in the House that would do it, too.

MR. LEWIS (in the chair): Moved by Mr. Wilson (Windsor), seconded by Mr. Currie, That Mr. Sinclair be summoned before this Public Accounts Committee to give evidence as to what he knows or doesn't know.

MR. CURRIE: Cut that "doesn't know" out.

MR. WILSON: All right; strike out "doesn't know," because I think that is all we will find out. Put him in the witness box right now.

MR. SINCLAIR: Mr. Chairman—

MR. RANEY: Oh, don't bother, let us vote.

MR. SINCLAIR: We will speak to the motion. It seems that the Public Accounts Committee is of such importance that the leader of the Liberal party has to be placed in this position by a junior member of this House, still quite a boy. Surely he knows the practice of this Committee and if he doesn't I think it is a sad thing that the senior members of the Conservative party haven't more respect for the Public Accounts Committee than the honourable member for Windsor. I feel that I am discharging a public duty; solicitors for the Conservative party last session felt that they were discharging a public duty in conducting examinations before this Committee. If the public men of this Province do not discharge a public duty in regard to public affairs, where are the people to look for leadership. The Honourable Provincial Treasurer carried a very heavy burden during the whole of the last session of the Legislature. An unpleasant duty to the Provincial Treasurer it must have been and I know it could not have been otherwise. But he fearlessly met the issue day by day developing the evidence, had information in his possession in advance; every member of the Committee knew that, and no one thought of asking him to go in the box and give evidence as to what he knew. Any man must necessarily have some information or think he has some information before he takes the responsibility of placing a motion upon the Public Accounts book here, and like a solicitor in charge of a case anything I could say before the Committee would not be evidence before the Committee any more than what my honourable friend the Treasurer would be given this year, and I do say that it is a pity there is a single member in the entire Legislature who would so humiliate the Public Accounts Committee as to draw up such a motion on the order book in the Legislature—

MEMBER: There are two of them.

MR. SINCLAIR: If the members wish to vote and vote to put me in the box that is their affair, but as I say I am only discharging a public duty as a member of this Legislature and in the discharge of that duty I have seen fit to make the motions which stand in my name. And therefore, I do say to the honourable members of this Committee, whom, many of them, I have known for some years, that I feel, that I know, that they realize the position which I have taken, I have taken it for the benefit of the public life of this Province, and not to make any bear garden of this Public Accounts Committee, but in an honest endeavour to seek out the truth. I do say to this Committee that a motion such as this should not be entertained here but that the matters which are to be investigated should be proceeded with.

MR. CURRIE: Will you answer one question? I would like to know from the member why he went around all the country yelling Toll Gate, letting the people think he knew about it and now he is backing up and not prepared to come forward?

MR. SINCLAIR: Why, my dear friend, a man with the record of doing

what you did in the Ontario Legislature—you are just the man who would do this, and no—

MR. CURRIE: Yes, I tried to get the evidence out honestly and you went all around the country blackmailing every member of the Committee.

MR. SINCLAIR: I will go again.

MR. CURRIE: You will either go in the box or be branded as a liar.

MR. SINCLAIR: Make him take it back.

THE CHAIRMAN: What did he say?

MR. CURRIE: Well, I suppose that I can think that he is a liar.

MR. SINCLAIR: I suppose you can. There is no one can control your thoughts.

MR. CURRIE: After doing what you did the way you did, you went out blackmailing—

MR. SINCLAIR: And the fountain of your thoughts seem to spread over them the words which you just uttered.

MR. CURRIE: You don't spread much.

MR. LEWIS: Let us keep away from personalities.

MR. SINCLAIR: The honourable member says I have gone out blackmailing and all this. All I have done is take the evidence which was before the Public Accounts Committee, read question and answer, and made no comment on any platform in the Province of Ontario. I was careful not to impute any motives, to infer nothing improper to anybody. I simply read the evidence taken before the Public Accounts Committee wherever I went, and that is what evidence is printed for.

MR. CURRIE: Your bluff is called; now come through.

HON. MR. PRICE: Mr. Wilson, in bringing this motion before the Committee, probably was pointing out to the Committee that while Mr. Sinclair had made certain statements, probably considering the evidence that had been taken in the Public Accounts Committee last year, made certain references throughout the Province, that he did not come here and made no definite statement or made no charge that would show the Committee why they should call further witnesses. Of course, my position last year was more or less of a clearing house for the evidence that came before the Committee, but I am sure I was very careful not to say anything outside the Committee or outside the House, or to the public. I think that in that, of course, Mr. Sinclair, probably in a public way, went further than anything that is stated here to the Committee would warrant—

MR. SINCLAIR: I did not. I beg your pardon. I was very careful, because I am a lawyer and I knew what I could do and could not do. I simply read evidence and said, that is the evidence that was taken before the Committee.

MEMBER: Just as far as the law allowed.

HON. MR. PRICE: The honourable member for Windsor, having brought this matter before the Committee, considering Mr. Sinclair should probably go in the box and give such evidence, Mr. Sinclair has stated that anything that he has, I suppose, comes from other witnesses, and he has no personal knowledge. If Mr. Sinclair wanted to go in the box naturally the Committee would hear him, or if I wanted to go in; I take it he is a competent although not a compellable witness, and I think Mr. Wilson has accomplished his object in bringing it before the Committee, and the Committee will be sitting several days and I suggest this motion be laid on the table.

MR. WILSON: I want to say something—just a moment. He said something. I think I should answer. I only offered the resolution because the Liberal leader refused to accept my suggestion that he go in voluntarily. Now it isn't my intention to force him in. He has seen fit to refuse to go in voluntarily. If he thinks that I should not take the ordinary course that is taken to force an unwilling witness into the box I won't take it. What I am speaking about is not Mr. Sinclair's intention in going up and down the highways and the byways, but the effect, and I think that if I say anything that leaves the impression that a virtuous girl is unchaste, it is up to me when it is drawn to my attention to remove the impression.

MR. SINCLAIR: That is hardly a fair comparison. We don't talk of those things in this Committee. This thing has been deliberately opened up by Mr. Wilson for Tory propaganda. You are not going to shut me off. Now I am going to talk and you are not going to muzzle me here to-day, because you started something and I am going to stop it.

MR. LEWIS: But you must not make a statement like that, that this is for Tory propaganda.

MR. WILSON: I want to say there has been no collusion of any kind whatever.

MR. SINCLAIR: Any member of the Public Accounts Committee that would introduce such a motion as the honourable member for Windsor has introduced here should be asked to stay away from the Committee. We come here as a body of judicial men to investigate the affairs of the Province of Ontario. Anybody has a right to place a motion on the order paper to call any witnesses, and I never heard of a lawyer anywhere being asked to come out and say, what is the evidence of your witnesses.

MEMBER: Mr. Raney volunteered.

MR. SINCLAIR: Never mind; let Mr. Raney alone. You are always after Mr. Raney, and you needn't think you are going to get anything on me—

MR. WILSON: He used to be always after us.

MR. SINCLAIR: Yes, and he generally got you, too. The point I want to make is, surely the code of ethics of the member for Windsor is not that the man in charge of witnesses should divulge to the Committee the evidence which the witnesses are going to make. The member for Windsor says I have refused to go in the box.

THE CHAIRMAN: Leave this over; I don't think we are gaining anything.

MR. SINCLAIR: Did you withdraw it?

MR. WILSON: Yes, because you refused to go in.

HON. MR. RANEY: I am here, Mr. Finlayson, with Mr. Drury, pursuant to the arrangement.

THE CHAIRMAN (Mr. Finlayson): I fancy everyone will agree that Mr. Drury should have precedence and we should hear his statement, whatever he wishes. Mr. Drury spoke to me and he is anxious to get away.

MEMBER: I think we should hear Mr. Drury.

HON. MR. DRURY: I have no preference one way or another.

THE CHAIRMAN: But the difference is this, that Mr. Drury will probably give a statement that may not involve a controversial matter that you might readily get into and I think the Committee will agree it is much more agreeable to have Mr. Drury give evidence.

HON. MR. BIGGS: At the meeting on Wednesday I said that as soon as the evidence in connection with the Harris, or the Provincial Securities bond transaction, were in I would be pleased to make a statement. I am here this

morning ready to make my statement, if you find time this morning. I will be here next meeting. I will be glad to make that statement at the earliest possible moment and I would be glad if you would keep that in mind and give me an opportunity to-day if possible.

THE CHAIRMAN: You and Mr. Raney are like the poor in Scripture—always with us.

HON. MR. BIGGS: But I would like to have the opportunity. Just bear it in mind.

Hon. E. C. Drury called. Sworn.

HON. MR. RANEY: Mr. Drury, in a recent debate in the House mention was made of the Ridout purchase from Treasury Department in April, 1923, of a \$10,000,000 block of Treasury bills. Will you tell the Committee what you know of that transaction?

A.—Well, I know nothing of it except what has become public property. As a matter of fact I suppose the loan was discussed in general terms at the time it was made. I knew nothing of the details of it until very much later.

Q.—You were the chairman of the Treasury Board?

A.—Yes.

Q.—You, and the other two members being the Provincial Treasurer and the Attorney-General?

A.—Yes.

Q.—Now it has been suggested that in this particular case, the papers now in the files show that the offer from Mr. Ridout to the Treasury was dated 20th of April and the acceptance the same day, that day being a Friday, if I am not mistaken, and that the orders-in-council were put through on the following Monday when you were apparently not in Toronto, because the Attorney-General presided at the council meeting, and there is a recommendation by the Treasury Board to the Council of the same date for the sale of these Treasury bills at the price named in the Order, discount, I think—I don't recall the terms—under a certain discount, the bills being eight month bills payable in December. Can you tell the Committee how, in the time of your Government, the Treasury Board functioned?

A.—Well, during the period of our Government the Treasury Board always functioned at the sittings of the Cabinet.

Q.—As—

A.—As a sub-committee of the Cabinet.

Q.—But sitting with the Cabinet?

A.—Sitting with the Cabinet.

Q.—All the members being brought into the discussion?

A.—All being free to present their opinions, yes.

Q.—You are aware that the Audit Act puts some responsibility on the Treasury Board in certain cases?

A.—Yes.

Q.—Where for instance an appropriation has been exhausted a recommendation for a payment must come from the Treasury Board?

A.—Treasury Board.

Q.—Then do I understand you to say in all cases where the statutory authority or powers of the Treasury Board were called for, in all those cases the Treasury Board functioned with and through the Council?

A.—I never remember the Treasury Board meeting as a separate committee. The reason for that, I think, was a good one. Always some department of the

Government was involved and always the opinion of the Government was required, and it was considered economy of time, and also more efficient, to hold the meeting at the same time Cabinet Council met.

Q.—You mean?

A.—The head of a department.

Q.—You said, “opinion of the Government was required.” You meant, I take it, the opinion—

A.—The opinion of the minister whose department was involved.

Q.—And it was thought wise to get that opinion in the presence of all the ministers. And then, of course, there would be a recommendation from the Treasury Board to comply with the statute?

A.—Quite.

Q.—And then the order-in-council would follow the recommendation?

A.—Quite.

Q.—You were only subpoenaed here in this transaction. There was something else I think you desire to speak to the Committee about. There was a suggestion, there was a statement in the House, made by me, of information conveyed from you to me, that early—

HON. MR. PRICE: Why not ask the witness a question?

HON. MR. RANEY: I must indicate to him what the matter was.

HON. MR. DRURY: I think I know what you mean. The statement was as to when you knew of two conversations of which I spoke to you between myself and the late Provincial Treasurer Smith?

HON. MR. RANEY: Well then, tell the Committee in the first instance when and what those conversations were with Mr. Smith.

HON. MR. DRURY: Well, there were two conversations involved. At some time soon after the coming in of our Government, Mr. Smith spoke to me about a transaction, a loan made by Mr. McGarry, and mentioned that there was some circumstances in connection with it that looked to him suspicious. It was merely a verbal communication and verbally I instructed him to look into the question and report to me what he found.

Q.—Do you recall what month that would be?

A.—Oh, that would be early—not later than early in December. I cannot place it definitely.

Q.—December of 1919?

A.—Yes.

MR. CURRIE: When did you come into office?

A.—November 14th, 1919.

Q.—Then it would be—

A.—Well, some time before the middle of December.

Q.—Early in December?

A.—Well, it might have been the latter part of November. I would place it within three or four weeks. Mr. Smith did not speak again further in regard to the matter. I spoke to him a month, or four or five weeks later, and asked him what he had found and he told me he had looked into the thing and it was perfectly regular and nothing at all that required investigation. Now, I did not come before the Public Accounts Committee last spring because, for two reasons. In the first place I expected Mr. Smith would make a full statement, and of course members of the Committee were aware with what suddenness the inquiry of the Committee ended; and in the second place, on the supposition that Mr. Smith was reliable and I had that supposition, these statements had no significance whatever. I didn't speak to you about them. They were in

my mind as a clear matter of recollection, but they had no significance at all until Smith admitted his connection with the Home Bank. I did speak to you last fall—

Q.—Last autumn?

A.—About the time of his trial—after his trial, subsequent.

Q.—The Ridout matter is the thing you are summoned on, the other matter you have spoken of?

A.—Yes.

HON. MR. PRICE: I don't think Mr. Raney is stating it quite correctly, because in the House Mr. Raney said he and Mr. Drury would be before this Committee, I understood it was concerning a statement Mr. Raney himself made in the House—Mr. Drury had spoken to him, and I don't think anyone summoned Mr. Drury before the Committee. I think you volunteered he would come and you put the motion through.

HON. MR. RANEY: Yes.

HON. MR. PRICE: So I want that understood.

HON. MR. RANEY: Quite, he was summoned—I am not putting emphasis on that—

THE CHAIRMAN: And it was stated Mr. Drury would give evidence; if there was anything his memory required refreshing on he would have the opportunity.

HON. MR. RANEY: I was asked about Mr. Drury and I said I would assume he would be willing to answer any questions but he might desire to have time to refresh his memory unless he had notice of what the matter was. The agreement was he should either have forty-eight hours' notice—at least as far as I was concerned—and I suggested that—

THE CHAIRMAN: That is hardly correct. It was stated if Mr. Drury wished to come he would come like any other witness, but we did state in fairness to Mr. Drury if there was any matter which was new to him and about which he wanted to refresh his memory—

HON. MR. DRURY: I think we can be reasonable in the matter.

HON. MR. RANEY: I am not aware, Mr. Drury, that I desire to ask you at the moment any other question. Perhaps after I have made my statement I may want to recall you. I am not sure, but in the meantime, Mr. Drury is here at the service of the members of the Committee.

THE CHAIRMAN: Any member wish to ask him any question?

MR. CURRIE: Yes, I think I had better ask him a few. Now you have stated when you went into office—you have stated that Mr. Smith said something to you along about the latter part of November or the first of December, what did he say?

A.—Well, I think I have told the Committee. He told me in substance he thought that the loan made by Mr. McGarry with a spread of four points was a suspicious thing. That is practically what he said.

Q.—What was there suspicious about it?

A.—He mentioned the fact that it had been turned over very shortly at great advantage to another broker who sold—

Q.—Subsequently you had some other transactions in bonds, didn't you, for instance those in England?

A.—Yes.

Q.—Wasn't there more than four points difference between the market there and the price your Government bought the bonds in for?

A.—There may have been. That was entirely different.

Q.—One would have thought your mind would become a little suspicious on that?

A.—Perhaps it ought to have been. I don't know. My mind didn't become suspicious. I took the Treasurer's statement.

Q.—He said there was something suspicious about it, did he give details as to his suspicions?

A.—No, I merely told him to look into it. I asked him subsequently what about it and he told me he had looked into the matter and there was no suspicious circumstances.

Q.—What would you consider suspicious circumstances?

A.—Well, that is a broad question.

Q.—No, it is not; we have been talking nebulous things too much. We have to get down a little closer to the ground.

A.—I don't know; it was not my proposition. I didn't consider it at all. I merely asked him to look into his own suspicions and report to me what he thought of it.

Q.—At that time what position did Smith hold in your mind?

A.—I thought he was an honourable and honest man.

Q.—In view now of the circumstance that inside of a few days after coming into office he went down to the bank and got a chunk of money out of that loan, what do you think impelled him to come and say something to you? According to the evidence given you know, and proven, you can see before he ever spoke to you he had a chunk of money in his pocket?

A.—Well, I don't know as to that; I have no means of fixing the date whether it was before or after.

Q.—Well, the evidence fixes the date, I think?

A.—It would be any time within the first month. It might have been within the first week, I think.

Q.—December would be about it. You think he was waiting to see what they were going to come through with for him?

A.—I don't know. I wouldn't say what he thought.

Q.—You don't think that next time he would go down and get some?

A.—I don't know.

Q.—He didn't offer to share any of it with you, did he?

A.—No, he didn't.

Q.—And he kept quiet after that?

A.—Well, I asked him, and I said, what he had found, and he said there were no suspicious circumstances and I didn't mention the question to him again.

Q.—You mentioned something about the Treasury Board meeting here, and that the Treasury Board always met with the—

A.—In the presence of the other members of the Cabinet.

Q.—As unofficial members of the Treasury Board, you might say. Now at this first meeting, where this deal with Ridout was put through, how many of the Cabinet Ministers were there?

A.—The minutes would show that. I was not there myself.

Q.—I suppose you were up threshing?

A.—No, I was—

HON. MR. RANEY: Not in April.

Q.—Was this in April? Oh, yes, this went through in April, and you would be seeding; you were out looking after seeding. However, it didn't bear good

fruit as far as the Province of Ontario is concerned, did it? Now your suspicions were then raised to some extent over this matter?

A.—Over which matter?

Q.—Has anything ever come to your mind, that is—

A.—Over which matter?

Q.—The Ridout deal?

A.—No, my suspicions were not aroused at that time at all.

Q.—Smith's was?

A.—I think you are confusing two matters, about four years apart.

Q.—About the Government transaction with the Home Bank. Mr. Smith had some transactions, you will observe in the evidence with the Home Bank—in which it is stated before this committee that the Home Bank paid him a certain amount of money within about a month after he became Treasurer?

A.—Yes.

Q.—That was part of these suspicions that Smith told you about?

A.—I suppose it would be, yes.

Q.—Now is there anything further to your knowledge in connection with this that you know, that you will give evidence on?

A.—No, I think I have told you all I know about it.

Q.—Large statements have been made here by the leader of the opposition that there was a toll gate established down at the Home Bank, did you hear anything about it?

A.—No, I have read the papers.

Q.—Did you hear anything about it?

A.—I didn't hear anything at all about it.

Q.—None of your ministers brought it to your attention?

A.—Nothing whatever.

Q.—I suppose you will be willing to have us examine a little bit on the matter of Jarvis?

A.—Certainly.

Q.—You will recall that, it has been very important to Jarvis and Smith; tell us all about that as near as you can recollect. Your mind has been refreshed by the evidence?

A.—Yes, well what do you want to know?

Q.—How you first came in touch with Mr. Jarvis?

A.—Mr. Jarvis was brought to me by Mr. Smith to discuss this transaction—the first time I think I had met Mr. Jarvis, I think so.

Q.—He was brought to you by Smith?

A.—Brought to me by Smith.

Q.—Well now tell us how did the matter arise between you and Smith in the first place?

A.—Mr. Smith spoke to me of the advisability on account of the exchange of buying in the inscribed stock issue.

Q.—Did you have a lot of money in the treasury then?

A.—I cannot tell you that at this distance, unless I looked it up.

Q.—You had to borrow money?

A.—Yes, we had to retire bonds, yes, we had to borrow money.

Q.—Now Jarvis was introduced to you by Mr. Smith?

A.—Yes.

Q.—And you discussed the matter?

A.—Yes.

Q.—Now what occurred? What deal did you make with Jarvis. You were going to take up three loans?

A.—Yes, you want to know the terms of the deal?

Q.—What happened at that meeting?

A.—It was discussed at full cabinet.

Q.—Was Jarvis at the full cabinet?

A.—Jarvis was there, I suppose it was not a cabinet meeting.

Q.—I suppose that was a dry cabinet meeting?

A.—Dry, yes—perfectly dry.

Q.—Who was all there—Mr. Raney?

A.—I suppose the minutes will likely show. It was not a cabinet council, but there was a meeting. I think Mr. Raney was there.

Q.—Was it an informal meeting?

A.—It would be an informal meeting.

Q.—Treasury Board meeting?

A.—No, not a Treasury Board meeting.

Q.—Called to discuss just this subject?

A.—I think not. I think it was discussed either before or after the regular meeting of the cabinet—I think likely before.

Q.—Now there were three loans in England at that time?

A.—Yes.

Q.—And at that time you were shown the prevailing prices in England, weren't you?

A.—That was discussed. The question of the price in England was a very uncertain thing because anyone knew what the market would do if we attempted to buy. I know I had very little faith in the ability of the Province of Ontario to buy any large proportion of the bonds without the English market being raised.

Q.—You thought as soon as there was a buying order—

A.—Prices would go up.

Q.—There were two courses open to you, one was to employ Jarvis at the customary commission?

A.—That was discussed.

Q.—You did not accept it?

A.—We didn't accept it, no.

Q.—But you accepted the other alternative?

A.—The reason the other was not accepted, if I may put this in, was this, none of us had any great faith in the ability of the Province to buy any large quantity; there were certain expenses involved; it was thought wiser to take the sure thing and put the risk upon the buyer.

Q.—Upon the buyer?

A.—Upon Jarvis.

Q.—Would you think Jarvis would take a chance of losing on it?

A.—Oh, no.

Q.—Why make him—was there any risk he would undertake?

A.—Well, there would be the expense in the matter. If my memory serves me right—I haven't been notified and if I had been I would have looked things up, but I think I am pretty nearly correct—there were certain expenses would have to be involved which if the mission were not successful would be lost to the Province.

Q.—I don't see that in your former evidence?

A.—I haven't given any former evidence.

Q.—In court?

A.—I was answering questions, not voluntary evidence.

Q.—How much did you agree to pay Jarvis for these bonds?

A.—That is a matter of record; I would not like to state.

Q.—Was it 89 and 90?

A.—89-90, something.

THE CHAIRMAN: And they were then selling about 90?

MR. CURRIE: You thought it would be better for your interests to keep track of these sales all the time and keep a hand on the game and to let Jarvis go ahead and make all the profit he could out of the transaction up to a certain limit that you gave.

Q.—It was just tying the thing at a point where we thought—and I still think, it is a matter for argument—the Province stood to make well on the transaction by allowing Jarvis to take the risk of financing.

Q.—He didn't take any risk?

A.—Well, he did, he had certain expenses, of course.

Q.—What expenses, two or three hundred?

A.—Oh, more than that, I think.

Q.—Five hundred anyway, and you did all the financing?

A.—Financing, yes.

Q.—The Government put all the money up and all he had to do was to take bonds and draw a cheque?

A.—Yes.

Q.—He made a difference of ten or fifteen points. Why did you come to raise the limit?

A.—I don't think the limit was raised.

Q.—Did you ever pay more than 89 or 90 for Succession Duty bonds?

A.—I cannot tell you that. This was an exchange transaction. If the Province stood to gain it stood to gain on exchange. If I remember the pound was about \$3.70.

Q.—I want to find out then how Mr. Pepall came into this game? Tell the committee the whole story?

A.—Pepall came in on Smith's recommendation. I knew nothing of Mr. Pepall and neither did other members of the Cabinet, I take it, and he came in as the supposed representative of the Province to watch the Province's interest.

Q.—Pepall did?

A.—Yes.

Q.—And you think that \$300,000 he has over there in the States should be in the Province?

A.—No, I think—I would not like to say what I think—it was certainly a very dishonourable action. If he was at all interested in the matter he had no right to represent the Province at the same time.

Q.—He was employed by the Province?

A.—Yes.

Q.—To go to England?

A.—And watch for the Treasury Department.

Q.—What was he to watch?

A.—Watch the whole transaction and see it was conducted in the interests of the Province.

Q.—How could he see anything was conducted in the interests of the Province when there was a fixed rate for these bonds?

A.—Well, it was thought necessary. As you know, a minister has a certain amount of latitude in making a recommendation. The Treasurer asked that Pepall be sent to represent him in the transactions.

Q.—To represent him in the transactions? Well, what interest did he have in these bonds beyond the fact that if Jarvis got bonds for anything under 90—and that was the fixed sum—what could Pepall do unless he was to keep track of the difference?

A.—I am not prepared to say what he did.

Q.—He kept track to some purpose from the evidence in the high court, and you were paying him for doing that all the time?

A.—His expenses were paid.

Q.—To the extent of what?

A.—I cannot tell you.

Q.—Tell us about that \$4,000 cheque?

A.—That is his expenses.

Q.—Who did you issue that to?

A.—I didn't issue it at all.

Q.—You must know some of the transactions that occurred here?

A.—Well if this matter—I should like to refresh my memory—I suppose that was issued to Pepall.

Q.—But you gave evidence on that?

A.—I think that is a matter of record here in the Public Accounts Committee.

Q.—But you haven't given evidence on that. How is it that cheque was held up for a while?

A.—I don't know anything of that whatever.

Q.—Know nothing of it?

A.—No.

Q.—Do you think you want to refresh your memory?

A.—It was not a matter that concerned me. I don't think I have the means to refresh my memory.

Q.—Oh, it concerned you very deeply. You were the head of a Government?

A.—You must delegate responsibility—you have to.

Q.—And wasn't every member of that cabinet responsible for everything that occurred in the Parliament Buildings?

A.—That is true, yes, in a general sense.

Q.—In a general sense?

A.—Well now as a matter of practice you must delegate authority and I take it that a Minister's recommendation in this Government or any future Government carried weight on matters of policy, and he did it on his own responsibility.

Q.—That is quite correct, but you have informed this Committee that you discussed all these matters with Mr. Smith?

A.—No, I haven't—

Q.—Didn't you discuss the Jarvis matter with Mr. Smith?

A.—No, I discussed it in cabinet council.

Q.—Well, Mr. Smith was there?

A.—I think he was not.

Q.—He was not at the council?

A.—Not the time the transaction—

Q.—Who took it up for him in council, who was acting for him?

A.—I don't know that anyone was; it was a matter of entire cabinet business.

Q.—That is what I said, the cabinet were all responsible for that transaction?

A.—Responsible for the terms.

Q.—Who handled the matter before the cabinet?

A.—I think it was a matter of general discussion.

Q.—There were three of you on the Treasury Board?

A.—This was a matter not for the Treasury Board, but for general cabinet policy as to whether those bonds should be bought in to take advantage of the exchange situation.

Q.—Do you mean to tell this Committee, after discussing this bond transaction, that Jarvis took the whole thing over, and that Mr. Smith—and that the matter comes before council and Mr. Smith was not there, you cannot tell us who handled the matter before the cabinet? Who had the Order-in-Council?

A.—There was not any Order-in-Council.

Q.—Who brought the matter before cabinet?

A.—Mr. Jarvis was there by appointment to meet with the cabinet.

Q.—Before or after?

A.—I cannot tell you. It would not be at the cabinet meeting.

Q.—Was Pepall at the cabinet meeting?

A.—No, never.

Q.—And you did say it was a matter for the cabinet generally to discuss?

A.—This would be the procedure, and this was, that the cabinet discussed the general matter of the possibility of buying the bonds in at a profit to the Province. Having decided upon the policy the details were left and would be left to the Treasury Department to make out.

Q.—Well, who worked out the 90 and the 89?

A.—I suppose that was likely worked out by the Treasury Department.

Q.—That would come before the cabinet?

A.—It would come then before the cabinet as a recommendation.

Q.—You never got suspicious of anything?

A.—No, not at all.

Q.—It never occurred to you Jarvis was likely to make ten points on this deal?

A.—Well, as a matter of fact, as I told you, I thought at once any buyer appeared in the market the price would go up and it would be impossible to buy any great quantity.

Q.—But you had no obligation on Jarvis to buy these willy nilly if they went over 90, he didn't need to buy?

A.—Quite.

Q.—He had no obligation to compel him to buy a certain quantity of bonds, he was to buy all he could up to 90 and you were to pay for them?

A.—Quite.

Q.—Did it ever occur to you to make a straight bid in the English market and advertise?

A.—I don't think we would have got them.

Q.—With everybody in England at that time jettisoning all the securities they had in order to get some cash?

A.—As a matter of fact of course the price did go up before—

Q.—How much?

A.—Well, it went up to a point at which we said—

Q.—What did you do?

A.—Why we stopped.

Q.—How much of this yarn—

A.—I object to the word yarn. I am telling the truth.

Q.—Well, then, excuse that you are giving the Committee?

A.—I am telling facts, not giving excuses.

Q.—But you are explaining why you made this deal, that is an explanation then, we will call it an explanation of making that improvident deal, that you were afraid that it was going to cost somebody something more if you went to work and simply took a straight commission. For instance, Jarvis would only charge you about an eighth and you would be free. Instead of doing that you said, no, we will pay 90 for them instead of 79, and we are not going to—you say the reason that impelled you to do that was that you might lose some money on the transaction. How could anybody lose money on the transaction when you fixed the price?

A.—I suppose that if Jarvis had spent money in organizing his campaign, making his connections, advertising, and all the rest of it—I don't know how much the expense would be, and then as soon as a buyer appeared in the market, before he could buy he would have lost, or the Province would have lost, if he had been buying on commission.

Q.—Those bonds were quoted on the London Stock Exchange like any other bonds?

A.—Yes, there were no buyers though from this side of the water.

Q.—They were bought only over in England?

A.—Yes.

Q.—Was it necessary for anybody here, or if I want to buy bonds do I disclose I am buying here?

A.—I don't know, I have never had bond experience.

Q.—Take exchange, you said if a buyer appeared from the Province—there is no member of the London Stock Exchange living in this Province that you know of?

A.—Not that I know of.

Q.—All London people, people in England, and any buyer on the London stock exchange would be a London broker?

A.—I suppose so, yes.

Q.—There was only one man that was going to do any buying for you, that was Jarvis. You didn't put two or three other brokers out to bid each others' heads off, did you?

A.—No.

Q.—He was the only man that was to be employed by the Government, to go along with this transaction?

A.—He was the buyer, yes.

Q.—No other buyer, and he would have to employ either a bank or broker on the London Stock Exchange to do business for him. He was not a member?

A.—I suppose so.

Q.—And anybody on the London Exchange would know Jarvis didn't put ads in the paper and say Jarvis was over to buy these bonds?

A.—I don't know, I wasn't there.

Q.—Don't you think looking it over it would have been wiser if you had kept your hands on things better the Province would have saved nearly a million dollars?

A.—It might have been wiser—yes.

Q.—What did Peter Smith tell you about Pepall?

A.—That he wished him to go to England to watch the transaction from the standpoint of the Treasury.

Q.—Did he introduce him as manager of any bank or institution here that knew something about bonds?

A.—No, he didn't.

Q.—Was Pepall ever employed in a bank—

A.—I don't know anything at all about him. I don't know that he was.

Q.—You know very well what he was doing?

A.—I don't know.

Q.—Was he selling washing machines or was he selling Delco lights?

A.—I cannot tell you.

Q.—Was he a partner of Mr. Smith?

A.—I didn't know that; I know what has become public property. I didn't know anything about him at the time, he was introduced to me as a friend whom Smith could trust.

Q.—Was he employed by the Provincial Treasury?

A.—He was, I think, employed by the Province on the recommendation of the Treasurer and his expenses were paid by the Province.

Q.—Then he was the agent of the Province all through this transaction?

A.—Quite.

Q.—Then how does it come that he claimed a lot of commissions, took nearly all the commission away from Jarvis? What did he do that for?

A.—I cannot tell you, that I think was a very dishonourable act.

Q.—I quite agree with you. Now you have seen a lot in the newspapers of late, a lot of talk about toll gates and all this sort of thing. Did it occur to you that Mr. Smith had set up a toll gate in his department?

A.—It didn't, no. I trusted Mr. Smith.

Q.—You trusted him? You never got any of the proceeds of that?

A.—Absolutely no.

Q.—Or none of your ministers that you knew, outside of Smith?

A.—No.

Q.—And what do you think about these stories?

A.—Well, I don't think it is my function here to express an opinion.

Q.—Well, we are always asking people their opinions here because this is an inquest. It is not a court?

A.—Well, I don't express any opinion.

MR. MACBRIDE: Post mortem?

MR. CURRIE: Post mortem, yes.

MR. MCBRIEN: I would like to get back to this Ridout transaction. Were you acquainted with Mr. Ridout?

A.—No.

Q.—Before he took this trip?

A.—I think I have never met him.

Q.—You never met him?

A.—I have not.

Q.—It was just before the election, wasn't it, that Ridout took this trip?

A.—I suppose it was, yes.

Q.—And wasn't it common knowledge of the cabinet that there would be a profit of about \$90,000 made in connection with this transaction?

A.—It wasn't common knowledge to me.

Q.—And you didn't—it was not common knowledge to you?

A.—I didn't know it at all.

Q.—Didn't the cabinet discuss the transaction at all?

A.—I suppose that likely the necessity was discussed.

Q.—The necessity?

A.—As a matter of fact I knew nothing about the Ridout transaction—

Q.—What was the necessity?

A.—The short term loan—I cannot remember that.

Q.—What was the rush, sending him down, after he flew up here, knew practically nobody, and got this authority to go down to New York?

A.—You mean what was the condition of the finances.

Q.—Such a short time?

A.—I suppose that would be on the recommendation of the Treasurer.

Q.—Recommendation?

A.—Quite.

Q.—And did the cabinet or any members ever to your knowledge discuss as to what the profits would be in this transaction?

A.—Not when I was present, no.

Q.—As far as you know there was no information given you by any member of the cabinet that this supposed \$90,000 that was to be made was to be split two ways?

A.—No.

Q.—With \$45,000 to Ridout and \$45,000 to a campaign fund?

A.—No.

Q.—Are you sure?

A.—I am sure.

Q.—And you realize you are under oath?

A.—I realize I am under oath.

Q.—When Ridout came back from this trip he deposited the money in his own bank, didn't he?

A.—I don't know.

Q.—Well, you know from the evidence?

A.—Well, I suppose you know that. I am not speaking of things I hear from the evidence.

Q.—To your own knowledge?

A.—I have no knowledge.

Q.—Well, Mr. Ridout swore he deposited the money in his own bank. You have no knowledge of any member of the cabinet discussing that?

A.—With who?

Q.—With the different members of the cabinet?

A.—No.

Q.—No knowledge of Mr. Raney ever refusing to take the money for a campaign fund on the ground that having fluked the thing and deposited the money in his own bank that the money could be easily traced?

A.—No.

Q.—Absolutely no knowledge?

A.—No. My instructions were that no campaign fund was to be raised from any doubtful source.

Q.—Of course your cabinet ministers did not always carry out your instructions?

A.—Perhaps not; I think they did in that.

Q.—You have no knowledge that this \$90,000 was to be split fifty fifty?

A.—No.

Q.—He was to get \$45,000 and \$45,000 was to go into the campaign fund of the U.F.O?.

A.—Absolutely no.

Q.—And you didn't know of any row between Ridout and any member of your cabinet over him making a fluke and depositing in his own bank?

A.—No, I didn't.

MR. CARR: It was not U.F.O. It was so-called Progressive. Don't—

MR. MCBRIEN: Political campaign funds?

A.—No. I have no knowledge of that whatever.

Q.—You have no knowledge of political campaign funds?

A.—There was a small fund.

Q.—Who had that?

A.—Who? I think Mr. Roadhouse.

Q.—Have you any knowledge Ridout was to split \$45,000 to the campaign?

A.—No, I haven't.

Q.—And that he was to bring the money up here in cash, and instead of doing that—

A.—If you will allow me a statement. I know nothing whatever of the Ridout transaction. I think I heard of it a good many weeks later. I heard of the profit he had made and I assured myself that it was a transaction involving Mr. Ridout and not our campaign funds.

THE CHAIRMAN: When was that?

A.—Probably a week or two before the elections.

MR. MCBRIEN: Did you ever make any investigation as to why this thing was rushed through with such speed?

A.—I didn't know about it at all.

Q.—Why?

A.—Naturally, Mr. McBrien, I was very busy. I think when it was brought to my attention I was on a political campaign.

Q.—You were beginning—

A.—I was speaking about three times a day. I thought Mr. Ridout had made too much. I thought it had been a matter of bad judgment.

Q.—And it was never discussed by you or any member of the cabinet?

A.—At that time?

Q.—This Ridout transaction?

A.—No, it was not discussed with me.

Q.—Would your Treasurer have sufficient authority—you were a member of the Treasury Board?

A.—Quite.

Q.—Wouldn't this matter come before the Treasury Board?

A.—In the presence of the cabinet, I take it. That is a matter of evidence.

Q.—Was Mr. Raney there?

A.—I think it was a matter of record.

Q.—You never made any investigation afterwards?

A.—No, I didn't, except to assure myself it was an ordinary transaction?

Q.—Do you think it was an ordinary transaction?

A.—I do, yes.

Q.—Your conception of an ordinary transaction and mine is very different?

A.—I think it was an improvident transaction, but also I say it was a perfectly straight transaction.

MR. CURRIE: Mr. Ridout was close up to the Government and an arrangement was made with the Government's provincial bank and some insurance company, you know, to carry on business and insure everybody that put a deposit in the bank. What do you know of that transaction, Mr. Drury?

A.—Well, not a great deal. I was not particularly enthused with it.

Q.—Did that come before you?

A.—It was discussed with cabinet as a matter of general policy.

Q.—Who put that in action, Mr. Smith?

A.—I suppose the Treasurer did that.

Q.—Treasury Board?

A.—Treasurer, I don't think that would be a matter for the Treasury Board at all. There are certain statutory limitations of the Treasury Board's actions.

MR. MCBRIEN: Did you know Mr. Roadhouse?

A.—I have met him once or twice.

Q.—What connection had he with your organization?

A.—I understood he was treasurer.

Q.—Well, would he administer any campaign funds you had?

A.—I think he would, yes.

MR. CURRIE: Was he the toll gate, Mr. Drury?

A.—No.

MR. MCBRIEN: What company was he connected with, do you know?

A.—I cannot tell you that.

Q.—Would you put your funds, let him handle them, when you know nothing about him?

A.—Probably our funds are not so very large as some other funds.

Q.—Well, we are not dealing with those funds just now; they require some explanation.

MR. LEWIS: Regarding the Succession Duty Free Bonds, you made a statement it was an exchange transaction, the Province had to make its profit out of the exchange and your idea all through was to buy at the prevailing rate of exchange and thereby save between that and par?

A.—The idea of the whole transaction was, at that day exchange was about \$3.70; now it was reasonable I think that money rates would go down and that by reducing the principal from \$5 to \$3.70 and financing it by short term loans we would be able to refund it and make a substantial saving to the Province.

Q.—And you followed that habit in all these purchases—

A.—No, it was only the one transaction in which exchange was involved.

Q.—In all these transactions?

A.—Most of them we bought in this country; this was a particular block that was in the old country where exchange was involved.

MR. CURRIE: Three blocks in the old country, sterling bonds.

MR. PRICE: There were more bought in 1921 and 1922 and 1923?

A.—Yes, that would be another matter. That was a local matter.

Q.—They are inscribed stock bought in the old country and prices were very high then?

A.—Yes.

MR. LEWIS: What was the object in buying, I think the transaction that was put through the Home Bank, and the Dominion Securities where you agreed to pay exchange at par?

A.—When was that.

Q.—I haven't the year? It is in evidence?

A.—I cannot answer that.

THE CHAIRMAN: The bonds that were bought through Mason and Matthews, Hart, agreed to pay a certain fixed rate and exchange at par?

A.—I cannot tell you that. That would be a departmental matter, I take it.

Q.—It would not go before your Treasury Board?

A.—I don't think so.

Q.—You would not save anything on that?

A.—I suppose not.

Q.—And the man you were purchasing from would get the profit?

A.—Well, I know nothing of the transaction of which you are talking.

MR. WILSON: In connection with this Ridout transaction, do you know, or have you heard, whether Mr. Raney had anything to do with the acceptance of it?

A.—Of it?

Q.—Yes?

A.—I have never heard anything of the sort.

Q.—Then I suppose it would follow you cannot say, either from your own personal knowledge or what you have heard, whether or not it is correct that Mr. Raney drafted the acceptance of that transaction?

A.—Oh, I don't think he would.

Q.—Well, you don't know?

A.—I don't know, no. I don't think he would, though. I don't think that would be the usual course of procedure.

Q.—But you have no knowledge?

A.—No.

MR. CURRIE: Who drafted the contract?

A.—I think that would be a matter for the Treasury Department.

Q.—Well, you have a law department to pass on all contracts?

A.—At least many departments had their own legal advisers.

Q.—Did the Treasury have one?

A.—Yes.

Q.—Who was it?

A.—I think he is Mr. Jones.

HON. MR. PRICE: Mr. White?

A.—He is here this morning, is he not?

Q.—I think he is.

MR. WILSON: The Treasury Board consisted of yourself, Mr. Raney, Mr. Smith, and what special function apart from the cabinet did it perform?

A.—Well, in our time it didn't perform any function apart from the cabinet. The Treasury Board is constituted by statute and—

Q.—And what are its functions?

A.—Its chief function was this. Where an appropriation had been exhausted or any other—I cannot tell you definitely the matters it would deal with—in any case where the auditor was not authorized by statute the Treasury Board could issue a warrant.

Q.—Can you tell me any occasion on which this board specially functioned, during your administration?

A.—Oh lots, you will find plenty of them. An appropriation is exhausted of a department, there is no money, and you must go on—

Q.—Apparently it was not your view that this Treasury Board was a special body of advisers on finance to the Government?

A.—No.

Q.—And that was not the course that was followed during your administration?

A.—No. The Treasury Board is constituted by statutes for certain special functions.

Q.—At any rate it didn't make any special investigations for the purpose of advising the cabinet?

A.—That was not its function at all.

Q.—Did the Treasury Board during your administration function at all for the purpose of on financial affairs giving any definite advice to the cabinet?

A.—No, except as required by statute in cases provided.

Q.—Except as you have told us?

A.—Yes.

Q.—Now you say that once anybody would appear, I think this is in connection with the Jarvis transaction, you said once anybody appeared at the Treasury Department you thought the price would go up?

A.—At the Treasury Department?

Q.—To make a sale?

A.—No.

THE CHAIRMAN: In the English market?

A.—We were talking of the purchasing of inscribed stock in England.

Q.—What was your observation?

A.—That it was my opinion as soon as extensive buying was entered into on the English market that the price would go up at a point where it would be impossible to buy.

Q.—It would also be your opinion that once it got out that the Treasury Department intended to buy in these bonds that the price would go up?

A.—Yes, I suppose—

Q.—I suppose you will agree it would have been wise to have taken some measures to have prevented undue publicity?

A.—Well, yes, undue publicity.

Q.—Did you take any such measures?

A.—That was the function of Jarvis in buying the bonds.

Q.—Did you give him any instructions?

A.—Yes, he was to do it discreetly I think.

Q.—Can you recall?

A.—I remember that point was discussed and it was agreed it would have to be done with discretion, in order to avoid—

Q.—What action was taken to see that it would be?

A.—That was left in the judgment of the buyer.

Q.—Do you know what action he took?

A.—I do not.

Q.—Did you make any enquiry to see if he was carrying out these instructions?

A.—I don't know that I had any opportunity to short of going to England.

Q.—About this \$4,000 cheque that was paid Pepall—

A.—For expenses in England? Yes?

Q.—Did you require an itemized statement from him before paying that money?

A.—I didn't, that was a matter of recommendation of the Treasurer.

Q.—Did that strike you as reasonable expenses for a trip to England?

A.—It struck me as being rather large.

Q.—Why didn't you ask for an accounting?

A.—I am not sure it was brought before my own personal attention until it was before the Public Accounts Committee.

Q.—At any rate you didn't require any detailed explanation at all?

A.—No, I didn't.

Q.—You paid out, then, it is fair to say, this \$4,000 that you understood was for expenses of a trip to England that struck you as being large?

A.—I am not sure I knew of this cheque.

Q.—Well you said it struck you as being large?

A.—I think it was brought before the Public Accounts Committee and then it struck me as being large.

Q.—Well, didn't you know anything about what he was getting before he got the cheque?

A.—I don't think I did, no.

Q.—Well, you say you did not?

A.—No, I would not say definitely; to the best of my knowledge and ability.

Q.—Of course, your memory is not any too good?

A.—No, I haven't—it is impossible for any man as head of the Government, to know everything.

Q.—That is something you will have to judge for yourself. Do you know whether any of this ill-gotten money was given by any of the beneficiaries to any member of the cabinet or anybody else for the purpose of assisting their organization in the election as a whole or any candidate?

A.—No.

Q.—Did you make any inquiries to see?

A.—I had given general instructions as to the origin of the campaign fund. I gave definite instructions. I have very strong opinions on party campaign funds. I believe they have been a tremendous evil in Canadian political life.

Q.—You haven't made inquiries. You don't know whether any of this amount went to campaign funds?

A.—No, I cannot say, but I don't think it did.

Q.—What about the money that went into the newspaper at Orillia?

A.—Where?

Q.—Oshawa?

A.—That newspaper was of no concern to us.

Q.—Did you know anything about it?

A.—I don't think it supported us. I knew the man who had edited the Farmers' Sun had purchased the Oshawa newspaper.

Q.—In connection with this Provincial Securities Company, when did you first hear about that?

A.—If I heard about it at all—Peninsular Securities?

Q.—Provincial Securities?

A.—Last winter at the Public Accounts.

Q.—Remember any of the parties that were acting in connection with it?

A.—No.

MR. MACBRIDE: I notice that this loan in which Matthews and Smith are primarily concerned, the trip to New York, that took place on the 8th day of May, 1923, the cabinet council, and I notice according to the records you were in the chair that day?

A.—Which transaction do you mean?

Q.—The transaction in which Matthews and Smith, at least Matthews and Ridout went to New York? A \$10,000,000 transaction?

A.—I think you are mistaken in that. I think the evidence shows I was not.

Q.—I have it here, page 77, present Mr. Drury, Mr. Nixon, Mr. Biggs, Mr. Rollo; on the record here on the 8th of May, 1923?

A.—And what was done at that meeting?

Q.—The recommendation of the Treasury Department and the Order-in-Council was passed to provide for a \$5,000,000 loan.

MEMBER: What page?

MR. MACBRIDE: Page 77 of the bound volume. This volume here?

A.—Such an order appears to have been passed, yes.

Q.—Well now, the fact is that preliminary arrangements were conducted on Friday and the formal ratification took place at cabinet meeting on Monday, at which you were in the chair?

A.—When?

Q.—On the following Monday, dated the 8th of May, that is the record you are reading?

A.—Yes.

Q.—The preliminary arrangements—

THE CHAIRMAN: Mr. Drury said he doesn't get the connection of what you are referring to.

WITNESS: I don't know what you are discussing.

Q.—Discussing the Ridout transaction, this loan of \$5,000,000, and it is contained in Matthews' evidence before this Committee.

A.—What is it, its bearing?

THE CHAIRMAN: You see, if you are jumping—the Ridout transaction was divided into two items of \$5,000,000 each.

MR. MACBRIDE: What I want to understand is the fact that you were present in the chair when that deal was ratified by the cabinet?

MR. CURRIE: Which deal?

MR. MACBRIDE: The Ridout.

MR. CURRIE: No, Mr. Raney was in the chair.

MR. MACBRIDE: As I follow the record there were certain preliminary arrangements made in respect to this loan at a Treasury Board meeting at which you were not present but at the final cabinet meeting at which the deal—but at the final cabinet meeting at which the deal was ratified, the Order-in-Council was passed on the 8th of May, you were?

A.—I suppose the minutes will show.

Q.—So you had knowledge this deal was going through to the extent of \$5,000,000 at least?

A.—Yes, that would be true.

Q.—What advice did you take if any?

A.—What advice?

Q.—With respect to that loan?

A.—I didn't take advice, it would be impossible, if the President of the Council—

Q.—I don't think I want a speech.

HON. MR. RANEY: You will be good enough to let the witness answer the question.

Q.—Well, he can answer it much more intelligently without any assistance from you.

THE CHAIRMAN: Order, order, Mr. MacBride; somebody has got to run this Committee.

MR. MACBRIDE: You actually were present and presided at the meeting?

A.—Yes, I suppose so.

Q.—What advice, if any, did you take, if any, respecting this loan?

A.—To answer that I must say more than yes or no.

Q.—Certainly, say it as fully as you will?

A.—I didn't take any skilled advice. That would be manifestly impossible for the president of any council to consult experts on every question brought before him. The average day's grist, I take it, now, as it was then, Orders-in-Council, number thirty or forty, dealing with all sorts of questions. They come to the council on recommendation of the Minister who is supposed to have his own expert advisers in his own department.

Q.—So you did not take any expert advice?

A.—No, I did not.

Q.—I draw your attention that this took place on 8th of May, 1923, after the Legislature had adjourned and one month from the general provincial elections. As a matter of fact were you busy in the cabinet at that time or were you campaigning?

A.—At that time I was largely busy campaigning.

Q.—So it was not the pressure of public business but the pressure of election business?

A.—I suppose so, it might be necessarily so.

Q.—You said a few moments ago that you learned shortly after Mr. Ridout made his profit that there was a rumour regarding campaign funds, that you had a suspicion—

A.—No, I didn't hear as to a rumour regarding campaign funds. I heard as to a suspicion, perhaps you might call it.

Q.—Will you tell the Committee the exact particulars which put that suspicion in your mind. There must have been something tangible to awaken—

A.—I cannot without the consent of the person who informed me, I cannot tell you who spoke to me about it.

Q.—I think the Chairman will rule on that. Here is the Prime Minister of a Province concerned in a very important deal involving \$5,000,000 and he tells this Committee he shortly afterwards had a suspicion. I want the name of the man that gave him that suspicion. Can I have the name from the witness, the name of the man who planted in his mind that suspicion?

THE CHAIRMAN: I would rule that the witness has to answer, but I will rule that from what has been mentioned to me there may be a matter of public policy in it that perhaps should be communicated to you so you will understand it, and if you will come up and hear it privately you can say whether you want to hear it or not.

(After consultation.)

MR. MACBRIDE: At present he doesn't want to answer as to who gave him that suspicion. Now, Mr. Drury, as a matter of fact do you understand the bond business?

A.—No, I do not.

Q.—I understand you are a director of the Fidelity Bond Company?

A.—No, I am not any such thing.

HON. MR. PRICE: I don't know that I want to protect Mr. Drury on this, but there may be some merit to his objection. I think we can go as far as to say that it came from Government sources at the time?

MR. DRURY: And not from cabinet sources.

MR. MACBRIDE: I think we should have the information, but, of course, I don't presume to overrule the Committee.

MR. CURRIE: The information has been communicated to me and it is a very important individual in the Province that we are not supposed to discuss anything about, and it is no mystery at all if you knew who it was, but it was given strictly in confidence to the Premier by his superior officer. Now you know who it is.

THE CHAIRMAN: Colonel Currie having adopted the military rule, are you satisfied.

MR. MACBRIDE: I guess the Committee and the public will understand where it came from.

Q.—What means did you take to trace down this suspicion and satisfy yourself whether it was correct or otherwise?

A.—I inquired as to the bona fides of the transaction and I was assured it was a bona fide transaction.

Q.—Did you satisfy yourself it was?

A.—I did.

Q.—As a matter of fact there was a campaign fund, wasn't there?

A.—Yes, Ridout had nothing to do with it though.

Q.—Well, that is just a question, you see; perhaps he did. There was a campaign fund?

A.—Yes.

Q.—Tell the Committee how much it was?

A.—I don't know.

MEMBER: He knows it was small?

A.—I know it was very small.

MR. MACBRIDE: You fellows with \$5,000,000 transactions may have a different idea of what is small. Will you tell the Committee?

A.—No, I won't. I don't know.

Q.—You say you don't know much about the bond business. Are you or were you a director of the Fidelity Bond Company?

A.—Fidelity Bond Company? No.

Q.—I understand there was such an organization?

A.—I think, Mr. Chairman, that is a matter of private affair. It isn't a public affair.

Q.—I want to establish whether there is connection in the Premier entering a bond company because of the knowledge he gained in the bond business as Premier.

THE CHAIRMAN: He said that didn't occur during this period at all, had nothing to do with this. Do you want to press it beyond this?

MR. DRURY: I think I have a right to some protection.

THE CHAIRMAN: We have always observed the rule that we don't want to go into any man's private affairs. If you can show, lay a foundation, by showing there was any reasonable connection or that it occurred at the same time, I will not shut it out. But we have always tried to draw a line of decency, that one's private affairs should not be exposed here. You know the practice of last year when cheques and documents were produced—

MR. DRURY: But this is not a matter that is connected at all. This is a subsequent thing that has nothing to do with public business.

THE CHAIRMAN: Do I understand it didn't exist at that time?

A.—No.

THE CHAIRMAN: Let me tell you now, this corporation you refer to did not exist at the time he was in office.

MR. DRURY: Not for two years later.

MR. CURRIE: He just went into this one to train how to handle bonds for when next he got a Government.

MR. MACBRIDE: If you will just permit me; I want to say I am quite sincere. If Mr. Drury says it is a private matter I am willing to accept it.

THE CHAIRMAN: He doesn't take that stand; what he says is this corporation didn't come into existence, at least for two years after his Government went out?

MR. DRURY: Some time.

MR. MACBRIDE: With all due respect, and I want to conduct this fairly, the Government hasn't been out of power two years yet.

MR. DRURY: It is some time; I would not say when, but it has nothing to do with it in any case.

MR. MACBRIDE: Here is a gentleman that had the respect of the Province of Ontario to the point that he was raised to the Premiership. Certain bond transactions took place during his tenure and one important one, 8th of May, 1923, in the midst of a provincial election, and shortly afterwards I see in the records the formation of a bond company in which his name is associated. I want to find out had the excessive profits made from provincial bonds anything to do with the formation of this new company?

A.—Absolutely not.

Q.—During your time you had occasion to appoint a commission, many commissions, but particularly to probe the Hydro-Electric?

A.—Yes.

Q.—And among others you recommended as an appointee M. J. Haney?

A.—Yes.

Q.—Upon whose recommendation was he put on that commission?

A.—Oh, I cannot tell you. There was a good deal of discussion as to men that were able to conduct that inquiry, but Mr. Haney's name was brought forward because of his wide experience in engineering, and he had qualifications.

Q.—By whom?

A.—The matter was canvassed a good many times to find a suitable member.

Q.—That is not an answer—

A.—Well, I cannot tell you.

Q.—Who particularly brought to you the name of the ex-President of the Home Bank? We have our doubts about his qualifications?

A.—Oh, it was a matter of general discussion. I think his name was first mentioned to me by Mr. Doherty as being a suitable man of engineering and practical experience.

Q.—Will you say it was Mr. Doherty?

A.—I think so, but it might be subject to correction.

MR. CURRIE: Mr. Doherty was quite a promoter?

A.—I don't know.

MR. MACBRIDE: This Committee are to understand, so far as your recollection goes, he was appointed upon Mr. Doherty's recommendation?

A.—I would not say on his recommendation. The matter was canvassed as to suitable members of this commission. I don't know who recommended him. It was a matter for discussion for a long time, and it was found Mr. Haney had certain engineering qualifications that fitted him for the work. It was a
ome time to get members qualified for that work.

Q.—Another recommendation was made to you shortly after the House prorogued and during election time a gentleman now deceased—and I apologize for the necessity of bringing his name in and I only want it briefly—J. W. Curry was appointed to the registrarship in Toronto. Upon whose recommendation was he appointed?

A.—That was entirely a departmental matter. I think the Order-in-Council will show upon the recommendation of the Attorney-General.

Q.—His appointment was on the recommendation of the Attorney-General. There was a paper purchased in Oshawa, you say; don't you know whether that paper was favourable to the Government or not?

A.—No, I don't know anything about it. I thought it was a Liberal paper.

Q.—Did you ever read its articles?

A.—No, I never read its articles.

Q.—You swear you never read articles in the Oshawa Reformer?

A.—I don't know that I ever did. It is a little local paper down at Oshawa, and Oshawa isn't a very important city.

Q.—As a matter of fact did you make a speech on the budget in the House after the Oshawa Reformer had been purchased?

A.—I can't tell you that; I don't know when it was purchased.

Q.—And you didn't make any reference to a clipping out of the Oshawa Reformer?

A.—I might have.

Q.—Do you tell this Committee you didn't read it and read its editorials?

A.—No, I didn't read its editorials consistently. It may have been something was brought to my attention that was worth repeating. I didn't read the Oshawa Reformer, or perhaps the Brantford Expositor.

Q.—Well, the Brantford Expositor, while a much superior paper to the Oshawa Reformer, its only misfortune is it was somewhat favourable to you.

MR. CURRIE: I was just going to interject; I suppose you understand that there is an inference that some of this stuff that Smith got went to buy the Reformer.

A.—I have understood that in the last few days.

Q.—It is a serious matter?

A.—Well, it isn't within the knowledge of myself or I think any of the Government or any member of it; if it were done it would be a matter of private investment on the part of Mr. Smith.

MR. MACBRIDE: Well, the inference is you lost control of the Farmers' Sun?

A.—I don't think we ever had it.

Q.—But you made an effort to get it?

A.—No. Now there was a misstatement made, I think, in regard to this; if I understood the report. There was no effort made to get control of the Farmers' Sun by buying Farmers' Sun stock or in that way at all. It was felt the shareholders of the Farmers' Sun scattered throughout the country would not support the editorial policy of the Sun if they could be brought together. The only effort that was ever made was to get the shareholders together, to get their proxies.

Q.—Send out requests?

A.—There was an attempt made to get their proxies, or call the shareholders together. The other fellows had the proxies first.

Q.—The sum total of your evidence is that while you knew in a certain outline of the bond purchases you had no expert knowledge of it?

A.—No, I had expert knowledge from the department.

Q.—And you did not supervise it?

A.—No, I could not.

Q.—Knew how these enormous profits were being made?

A.—I couldn't know.

Q.—And there was an actual campaign fund; it was brought to your attention?

A.—Well, I would be mighty glad to see campaign funds turned inside out by this Committee applying to all parties.

Q.—You can help us—

A.—I have knowledge of this, that I had given firm and tight instructions that our campaign fund was to be above suspicion and I have no reason to believe it was not.

Q.—As a matter of fact you conducted a campaign and with you were a number of speakers?

A.—No, generally I was alone, and I paid my own expenses.

Q.—The records don't show you were alone?

A.—Oh, I had local speakers wherever I was.

Q.—Didn't you carry some speakers?

A.—No. Where do you find them.

Q.—Oh, I am not mentioning any person particularly, but I know a number of speakers that were with you?

A.—Consistently? All the way through?

Q.—At Oakville you had an outside speaker?

A.—Who was it?

Q.—I am not going to bring persons—

THE CHAIRMAN: Let us get on.

HON. MR. PRICE: I would like to ask Mr. Drury two or three questions. In 1919, when you said Mr. Smith told you something about the loan that was put through, about the time the Hearst Government went out of power. Could you fix a more definite date?

A.—I don't think I could. It was not a thing that impressed itself very closely on my memory as to dates.

Q.—You came into power on the 14th of November, and the records show that Mr. Smith received some of this money from the 15th to the 19th of December. Now was it before that that Mr. Smith told you?

A.—Oh, yes, it would be before that. My recollection was it was within two weeks, but I would not like to fix it within four.

Q.—If it was within the two weeks or three weeks, what action did you take personally to find out?

A.—Well, I expect I trusted Mr. Smith, Mr. Price, and he had reported to me. I asked him to look into the matter and tell me what he found.

Q.—You said, if there is anything wrong you go back and look into it?

A.—Yes.

Q.—Did Mr. Smith tell you what investigations he made to ascertain if it was all right?

A.—No, he didn't. He told me he inquired into it and he found his suspicions were not well founded.

Q.—What length of time would there be between the time he spoke to you in the first instance and when he told you the thing was all right?

A.—My impression would be that there would be a month or five weeks. The dates didn't fix themselves very clearly on my memory.

Q.—If there was a month or five weeks I presume then you would be told some time in the latter part of December?

A.—Possibly in January.

Q.—Told by Smith that everything was all right?

A.—I had no reason to be suspicious, and I had not taken a great deal of stock in it, to tell you the truth.

Q.—When was it Mr. Smith brought to your attention first the buying of these succession duty free bonds?

A.—Well, I think it would be in the neighbourhood of New Year's, 1920.

Q.—Would you say it was prior to the time that he told you that this other transaction was all right?

A.—No, I wouldn't. I would not like to fix either date.

Q.—As far as you know it was about that time?

A.—Yes.

Q.—Now I am not going over what happened with Mr. Jarvis or what happened in 1919. I think you have gone into that pretty carefully, and you have given evidence at the trial of Mr. Smith, but there are two or three things outstanding. You knew, of course, you had to borrow money to buy that?

A.—Quite.

Q.—And the reason for you buying this was that you would make—what drew it to your attention in the first place?

A.—Well, the exchange situation.

Q.—What about the succession transaction?

A.—That in connection with the other thing was in mind. Of course the succession duty policy, the policy of buying in Succession Duty Bonds, was the general policy pursued in this country and in England, and that was a different matter from this particular transaction.

Q.—Would it be fair to say the succession duty aspect of it as well as the exchange aspect drew it to your attention?

A.—Oh, yes.

Q.—Of course, you knew bonds were purchased after Jarvis got through with his \$6,800,000?

A.—Quite.

Q.—You knew they were still buying these bonds in the Old Country?

A.—Quite, but afterwards it became a matter of succession duty.

Q.—Afterwards everybody was buying and turning them over to the Government?

A.—Yes.

Q.—I think the records show if you turn to 1923, Journals of the House, on page 356, you will see a report made when your Government was in power showing a great many firms had been buying in and altogether there was purchased \$15,000,000 or \$16,000,000 of bonds, whereas Jarvis only bought around \$8,000,000?

A.—Quite.

Q.—And the prices ran, in 1920-1923, went up pretty high?

A.—Yes.

Q.—When you went out of power; before the time when you went out of power, did you know bonds were being bought in the Old Country, inscribed stock and bonds?

A.—At that time?

Q.—At that time?

A.—Oh, I knew it as a general policy of the Department to buy it.

Q.—Did you know you were paying 109, 110, 111 and 112?

A.—I cannot say I knew it.

Q.—You didn't know the exact figures, but you knew the policy was being continued?

A.—That is right.

Q.—Well, there isn't anything we disagree with on that part of it. But I want to clear that up, because there is a good deal of talk that there is only one transaction and the Jarvis thing covered everything?

A.—The one was a matter of general policy and the other—

Q.—After the Jarvis deal was completed and you still proceeded to carry on the purchase of this inscribed stock in the Old Country and succession duty stock here, how did you get the money to buy it in?

A.—Oh, that would be a matter of various ways, mostly borrow it.

Q.—The Jarvis matter was a particular loan borrowed in New York; with that it was money borrowed for the purpose?

A.—Quite.

Q.—It would be current funds and consolidated revenue?

A.—Yes

Q.—The price of money was left to the Government?

A.—Yes.

Q.—When this transaction came on and you found Pepall had been recommended by Mr. Smith to go to England, did you try and ascertain whether Pepall was a financial man, as he was going to represent the Province?

A.—No, I didn't. I thought it a reasonable thing that the Treasurer, if he trusted his friends, should have a certain amount of latitude.

Q.—Don't you think, on a very large thing like this—you had before you Jarvis' statement, six or seven million dollars, and you were sending a man to London—

A.—I don't know that we had any statement of Jarvis'. No one knew how much he could buy.

Q.—\$6,800,000?

A.—That was after it was bought.

Q.—When you were on that and considering the representation of the Province did you make any inquiries at all about Mr. Pepall?

A.—Well, no, I didn't, I didn't know Mr. Pepall.

Q.—Well, you say as a Government, as the Premier, you took Mr. Smith's recommendation?

A.—Quite.

Q.—And you accepted Mr. Pepall?

A.—I did.

Q.—You didn't know Mr. Pepall at that time?

A.—I met him at that time, the only time I ever met him.

Q.—In what capacity? What time would that be? In December?

A.—I should think it would be in January, 1920.

Q.—January, 1920. You didn't know by that time, or did you know, Pepall was getting a commission?

A.—No, if I had known it at the time it would not have been considered for one moment.

Q.—Then Pepall went to the Old Country and you knew the Province was paying—

A.—Yes, I did—his expenses.

Q.—It ran \$4,000?

A.—I thought that was excessive when I found out later.

Q.—What was it Pepall was to do there?

A.—He was to watch the transaction for the Treasurer.

Q.—Well, any man watching a transaction would have to have financial experience?

A.—Yes.

Q.—You had the Bank of Montreal there as your agents?

A.—Yes, as our agents.

Q.—And various financial institutions?

A.—The Treasurer expressed the wish that someone should go and watch the transaction from his standpoint. I thought it a reasonable one and we took his recommendation as to the person to be sent, and that, I think, is a fairly common procedure.

Q.—Well, this is a settled policy of your Government and you are embarking on something, and I want to find out what precautions you took. You will remember Mr. Pepall appeared before the Public Accounts Committee, and being examined in 1921? Remember that?

A.—Yes, I do.

Q.—Mr. Ferguson brought him before the Committee, I see March 2, 1921, Mr. Pepall was brought before this Committee by Mr. Ferguson, and—have you read that examination?

A.—Not lately; I read it at the time.

Q.—Well, Mr. Raney, I see, was on the Committee at the time?

A.—I wasn't here—

Q.—We have this examination. Didn't it rather show you then there was something wrong?

A.—Well, it appeared to me he was not qualified for his job.

Q.—I don't want to be unfair?

A.—I don't hesitate—any Government makes mistakes, and I am not here to defend every action of the Government of which I was the head. It did appear to me at the time to be an ill-advised act.

Q.—I think we are at one on that. What struck me in going over this evidence, it is so outstanding, so outlandish, that a man who is a Delco light salesman—He is asked:

“Q.—How did you happen to be selected for that particular job?”

“A.—I was asked to go by the Provincial Treasurer.”

“Q.—Had you known the Provincial Treasurer for a good while?”

“A.—For about seven years, I think.”

“Q.—Did you know him in Stratford?”

“A.—Yes, sir, I knew him on the farm.”

“Q.—Did you live in Stratford?”

“A.—No, sir.”

“Q.—How did you come to get out to the Smith farm?”

“A.—I got acquainted with Mr. Smith selling him Delco.”

“Q.—How long since is that?”

“A.—That was in the spring of 1915.”

“Q.—And you have known him since then?”

“A.—Yes.”

“Q.—What was your mission in England?”

“A.—I was to act as financial agent for the Ontario Government to raise a “loan and to redeem securities.”

And then he is asked in another place if he had any financial experience and he says, "No." Wouldn't it have been better to have made some investigation rather than leave—

A.—Yes, that is quite true.

Q.—You had four years of power?

A.—I suppose that is true of every Government. I think we might have found some things in our predecessors' record of which some things might be said.

Q.—You had an opportunity of investigating?

A.—We did some, too.

Q.—You did, before commissions.

MR. CURRIE: This Pepall is the Pepall that is still in California.

HON. MR. PRICE: Then, going on with the Pepall matter. Were you away with the same Pepall on this trip north with Mr. Smith and Mr. Nixon and Matthews?

A.—No, I don't know what trip you are referring to.

Q.—Well, were you up there on one of these trips?

A.—Yes, I was one day, to Burwash.

Q.—Did you see Pepall?

A.—No, I don't think Pepall was on that trip.

Q.—Do you know Pepall was on these trips?

A.—No, I didn't until it was brought up. I don't think Matthews was there. I went up to inspect Burwash, and went up with a party. I did as a matter of fact go hunting one day, and the party I think consisted of Mr. Nixon, Dunlop, Smith and Mr. Proctor.

Q.—What year?

A.—That would be the fall of 1920.

Q.—I just want to trace Pepall to see what connection he had with various matters. Did you know Mr. Pepall was more or less interested in the Assured Savings Scheme?

A.—No, I didn't.

MR. MCBRIEN: Was Irving Proctor on that trip?

A.—I think a man named Proctor was on that trip.

Q.—Irving?

A.—I don't know what his name was, rather a large man.

HON. MR. PRICE: We have traced Mr. Pepall in various things and we know the general circumstances. Getting back to this bond purchase in England, inscribed stock, Mr. Drury did you have information of what saving there would be to the Province in the buying in of Succession Duty Free Bonds?

A.—I think that the saving was discussed, yes. It was a matter, of course, of judgment as to what the future rates of money would be when it came to be refunded.

Q.—Did you know the 3½ per cent. issue was not succession duty free?

A.—Yes, I think I did. I know it now anyway. When I became possessed of that knowledge I don't know.

Q.—Buying that 3½ in, it would be on exchange, it would not be succession duty?

A.—No.

Q.—Did you know that the other issues were subject to English death duties—they would probably never be used in this country?

A.—Yes.

Q.—You knew that?

A.—Quite. They possibly could be used.

Q.—But they never have been?

A.—Depends on how the market is when they come.

Q.—So when this thing was considered it practically got down to the question of the price and the exchange?

A.—That is the important feature of it, yes. The other, of course, was always desirable, it was desirable to get in Succession Duty Bonds whether they were in England or here.

Q.—Now the other aspect was, you know, these bonds, $3\frac{1}{2}$ per cents, were selling at 68 to 70. I see in your evidence before the court you gave, page 177, that these bonds were selling from 68 to 70, that is, the three and a half per cents?

A.—Yes.

Q.—And you fixed the price to Mr. Jarvis as a maximum of 80?

A.—Yes.

Q.—That is quite right?

A.—Yes.

Q.—And the other bonds were selling around 70 to 72, and you fixed it at 90?

A.—Of course I am speaking from memory. If I had been summoned on this, I would have looked the thing up. Whatever I gave of the figures at that time were correct, because I refreshed my memory.

Q.—I refer you to page 170 of the evidence.

Q.—This was, I take it, what was before the court at the time, before Mr. Jarvis had brought it to your attention at the time, page 177 of the evidence, Mr. Tilley in examination says: "The document reads—With reference to the registered inscribed stock of the Province, listed and traded in on the London Stock Exchange, 3,057,842 pounds sterling of which are shown outstanding in the Public Accounts as follows:—\$12,000,000, $3\frac{1}{2}$ per cent., due 1st of January, 1946, market London, 68 to 70. Now that is the stock referred to in the order-in-council for which you were to pay not more than 80, isn't it?

A.—Yes, I think so.

Q.—Jarvis would have an opportunity of making eleven points?

A.—If he succeeded in buying them at the minimum price.

Q.—But he wouldn't.

A.—You can realize his profit would be a matter of the average price he would pay. That is how it appealed to the Government. We expected the price would go up. It did go up but we were more successful than we thought we would be.

Q.—Did you ask the Bank of Montreal to buy any? They were the agents of the Province?

A.—I don't think that was done.

Q.—Did you know the Bank of Montreal was buying in for sinking fund?

A.—I don't know that I did.

Q.—Well, the bonds of this inscribed stock, out of profits they buy in one-half of one per cent. every year, and the Bank of Montreal were buying in at that time.

A.—Required amount.

Q.—Wasn't that a pretty fair index of what a considerable proportion of it could be bought in?

A.—Oh no, that would be an entirely different thing, I should think. I don't pretend to have any expert knowledge of this matter that you have.

Q.—If you had that information before you and your treasurer could have put that information before you, you could have inquired at the bank as to what they could have done before you went into this transaction?

A.—Well, of course, that is a matter of opinion.

Q.—Well, don't you think, looking at it to-day, that would have been the proper thing to do?

A.—Well, no, Mr. Price, I am not discussing this question.

Q.—When you came to the Ridout transactions, you knew there were three transactions there.

A.—Yes.

Q.—Two, Ridout and one, Osler & Hammond?

A.—Yes.

Q.—The Osler & Hammond was \$5,000,000 and Ridout \$10,000,000, and that latter transaction I believe was on May 8th, the Osler & Hammond. You were in the chair?

A.—May 8th, I believe, was given as the date when I was not in the chair.

Q.—Well, I think Mr. Raney was in the chair in the first; on page 77 of the Journals of the House for 1924, on the \$5,000,000 transaction, I see that—

A.—On what date?

Q.—On the 8th of May. You will find here, and we will agree on it; Mr. Drury in the chair, Mr. Nixon, Smith, Rollo, Carmichael—so that when the \$5,000,000 was up you signed as chairman?

A.—Yes.

Q.—May 8th?

A.—Yes.

Q.—There was \$10,000,000 with Ridout and then there was \$5,000,000 with Osler & Hammond?

A.—My attention hasn't been drawn to the second one at all.

Q.—That is what Mr. MacBride was drawing your attention to—and that is where the confusion was; on that \$5,000,000 the records show you were in the chair?

A.—Surely.

Q.—Let us get the facts. In the first \$10,000,000, Mr. Raney was in the chair, but you have told us this was discussed by council?

A.—I think it would be, as to the necessity of raising that loan.

Q.—Notwithstanding that the records show on the \$10,000,000 transaction in April 20th, that Mr. Raney was in the chair, and that you were not present, you think it was discussed on a previous occasion?

A.—I think it likely would be. I have not remembered it.

Q.—That is very indefinite. You were speaking and saying.

A.—I was speaking as to general procedure.

Q.—But you told Mr. Currie in his examination that you recollected this being discussed by cabinet?

A.—No, I don't think I told you that.

Q.—Well, I took that from it.

MR. CURRIE: At an information meeting?

A.—No, you were speaking then of the Jarvis transaction, not of this. I haven't any recollection of the Ridout transaction until I heard of it later.

Q.—Well, let us see, on the Ridout transaction.

A.—I want to be correct.

Q.—Yes, that is quite right. I want to get the information correct. The first transaction, April 20th, it shows Mr. Raney in the chair. The Treasury Board apparently met on the 20th, it was Saturday, and the cabinet met on the 23rd. There are two recommendations, and in the two cases Mr. Raney was in the chair. Now, will you say the \$10,000,000 transaction to Ridout was discussed at any time?

A.—No, I have no definite recollection of it, Mr. Price.

Q.—Well, when did you get to know about it? Did Mr. Raney bring it to your attention or Mr. Smith?

A.—I don't think they did.

Q.—Then is it the \$5,000,000 transaction on May 8th that you referred to, you were in the chair then?

A.—Yes, it certainly would be discussed.

Q.—There is some distinction? You are not sure about being at any Cabinet meeting, but it may have been formally discussed?

A.—It likely would be, I say, as a matter of ordinary procedure.

Q.—A ten million dollar transaction going through you would rather think they would bring it to the attention of the head of the Government?

A.—Perhaps, I don't know what your custom is. The Minister must take a great deal of responsibility.

Q.—Yes, that is quite agreed, that you would pay attention to the Minister, but a \$10,000,000 transaction?

A.—If there were anything unusual about it, I would inquire into it, but if nothing appeared to be unusual, I would probably take the advice of the Minister, knowing he would be fortified by his advisers.

Q.—Can you say now you knew the rate, per cent., on that deal?

A.—No, I cannot say I know the details of it at all.

Q.—You see there is quite a letter here from Ridout?

A.—That would be entirely a departmental matter.

Q.—Well, I rather think that would come down before the Treasury Board or Council, when the Minister has explained it?

A.—It might have. It didn't come before me.

Q.—But you didn't know anything about the Ridout thing, except the \$10,000,000?

A.—No.

Q.—Did you know the rate of interest?

A.—I don't think I did, no.

Q.—Did you know the term?

A.—I don't think I knew anything about it, Mr. Price.

Q.—Well, was it the Ridout transaction that you were suspicious of or was it the one to Osler & Hammond, May 8th?

A.—I don't think I was suspicious of any.

Q.—You said some one drew it to your attention.

A.—That is not saying I was suspicious. I can't let you put words in my mouth.

Q.—It was the Ridout transaction that was drawn to your attention?

A.—Quite.

Q.—The other transaction was not drawn to your attention?

A.—Not at all.

Q.—And you made inquiries and found out it was a regular transaction. What inquiries did you make?

A.—I inquired from the Treasurer; questioned him considerably about it.

Q.—Don't you think the information that you got—

A.—I took the word of my Treasurer.

Q.—You took the word of your Treasurer. Were not you getting pretty suspicious of your Treasury Department by that time?

A.—No, I wasn't. I had no reason to be suspicious.

Q.—Don't you think you should have been suspicious on the motion picture transaction I brought down before the committee?

A.—Well, I thought it was a matter of bad business. I never questioned the man's integrity.

Q.—Did you like the loan transaction?

A.—Which one?

Q.—Where Otter Elliott borrowed \$1,500 from Proctor and Mathews endorsed the note?

A.—I don't think that runs in my mind.

Q.—That is in evidence?

A.—I was not, as a matter of fact, suspicious of the Treasurer.

Q.—Wouldn't these things make you suspicious?

A.—Perhaps I am not of a suspicious disposition. I was not suspicious.

Q.—You don't think the things brought before the Committee were of sufficient importance for you to consider this big loan transaction?

A.—I placed dependence on the Treasurer.

Q.—Of course you do on all your Ministers I know, but as Premier you have got a duty to perform?

A.—I placed dependence on my Treasurer.

Q.—Well, on the 8th of May, you were at the council when a further \$5,000,000 was raised, that was \$15,000,000 you were raising of temporary security within three or four weeks?

A.—Yes, they were short term Treasury.

Q.—Yes, seven, eight and nine months, I think. Did you inquire to find out if it was necessary at that time to raise \$15,000,000?

A.—I think that subject was discussed. Now my memory is a little hazy and there is nothing at the time definitely fixed upon it, but I think it was urged that the chance to raise them now to meet coming requirements and the hope that there would be better rates; that was done in several cases of short term loans.

Q.—One was for six months; the other eight months?

A.—We hoped that rates would be getting better when they were met.

Q.—In this transaction of May 8th, when you were in the chair and when you were chairman of the Treasury Board, you would have full information of this transaction?

A.—Oh yes, there is no doubt the information would be presented by the Minister.

Q.—Well, let us see what this says:

"Five million dollars by issue and sale of 1,200 Treasury Bills; 500 for \$1,000 each; 500 for \$5,000 each; and 200 for \$10,000 each, amounting in the whole to the sum of \$5,000,000, dated 1st day of May, 1923, due the 1st of November, 1923, payable as to both principal and interest in the gold coin of lawful money of Canada at the office of the Provincial Treasurer of Ontario in Toronto, Canada, or at the Bank of Montreal in Montreal Canada, or in gold coin of the United States of America. . . ."

Q.—Did you make any inquiry as to the exchange at that time?

A.—I did not personally make inquiry; I take it that would be brought up by the Treasurer.

Q.—Well, you know that exchange would be a most important element at that time?

A.—Well, Mr. Price, I don't know how things are with you, but things with us were left very largely to the Department concerned—had to be; it would be impossible for the head of the Government to cover the work.

Q.—But here is a man makes \$100,000 on exchange; isn't that—

A.—Was it \$50,000 profit he made?

Q.—Yes, that is what I am told.

MR. CURRIE: Did you know about Roadhouse in this transaction?

A.—No, I didn't know. I don't know now.

Q.—You knew Mr. Roadhouse, didn't you?

A.—No, I met him once or twice.

HON. MR. PRICE: Did you know Mr. Roadhouse was in the Osler & Hammond firm?

A.—I don't think I did, Mr. Price. I cannot tell you that. I met him I think once or twice at the most.

Q.—Which loan was it—it was the Ridout loan that you heard of.

A.—I never heard of the other.

Q.—You never inquired into the Osler & Hammond?

A.—No.

Q.—Nobody made any representation there was anything wrong?

A.—Absolutely no.

Q.—You said that you didn't have any very great love for the Assured Savings Scheme?

A.—No, I thought we would be perhaps better not to meddle with the insurance.

Q.—Not to meddle?

A.—Quite.

Q.—Did you know Ridout—that was his scheme?

A.—I heard Ridout mentioned in connection with it, yes.

Q.—Did he come into your office to talk it over?

A.—I don't think he did. He might have, but I have no recollection.

Q.—Didn't you and Mr. Curry and Mr. Raney have a talk?

A.—I talked with Mr. Curry about it.

MR. CURRIE: Not me?

A.—No, not you; I would not talk with you about it. Perhaps I would be rather afraid of the Colonel.

MR. MCBRIEN: It might have been better if you had?

A.—Oh, I don't think so.

Q.—In other words you have to stick pretty well by your friends?

A.—Well, of course, previous experience has something to do with that.

HON. MR. PRICE: Referring to Mr. Ridout; that came before your council?

A.—That was discussed, yes.

Q.—And there was some great diffidence on your part going into it at all?

A.—There was, yes.

Q.—You had a report from Mr. McKenzie in favour, I understand?

A.—Yes.

Q.—Of the Savings Office?

A.—Yes.

Q.—And you had a report from the man, that head of the insurance firm, what was his name—Evan Grey—reporting against it?

A.—Very much against it.

Q.—And the Treasurer, Mr. Smith, and Mr. Doherty wanted to get deposits, and were in favour?

A.—That is true.

Q.—That is right?

A.—Yes.

Q.—That was about, that was a considerable time before this Ridout loan went through, a couple of years before?

A.—One year before, wasn't it?

Q.—Yes, I think one year before. I think you went in there about 1921. I think you started 1921–1922?

A.—1922, I think.

Q.—Then eventually, having talked the matter over, and the whole thing being sized up, you decided to go into the Assured Saving Scheme, but you cancelled the first agreement, didn't you?

A.—Yes.

Q.—That agreement had been signed; now on whose responsibility was that agreement signed?

A.—Treasurer.

Q.—The Treasurer had apparently gone into it?

A.—I think he blundered into it.

Q.—Got into this?

A.—Yes.

Q.—Is it fair to say the other agreement was verbally cancelled and another arrangement arrived at?

A.—Well now, Mr. Price, that is not very clearly in my mind.

Q.—Probably Mr. Raney.

HON. MR. RANEY: Yes, I know about it.

HON. MR. DRURY: I was in the West at that time, following the session of 1922, and I went out to the Good Roads Convention in Victoria just about that time. Most of that was done, I think, in my absence.

Q.—Just continuing down, we have the Assured Savings; there was a division of opinion as to whether it was good business?

A.—A matter of judgment. My objection was I didn't see any reason for getting in a business. We didn't need to get into.

Q.—Getting down again to the Ridout deal, where was Ridout in connection with the Assured Savings scheme. Now we see Ridout in connection with this deal. Did you ever talk with J. W. Curry about Ridout?

A.—I talked with him about the Assured Savings. I may have possibly have met Ridout. I didn't discuss it with him, but I did discuss it with Curry.

Q.—Did you discuss with Mr. Curry this \$10,000,000 item?

A.—No.

Q.—When did you first know Ridout?

A.—Well, I didn't know at all about it until some weeks later.

Q.—The first time you got it outside?

A.—Quite.

Q.—Do you mean to say your Treasury Board, Mr. Raney and Mr. Smith, put that through without you knowing it?

A.—I don't think it was drawn to my attention at all as a matter of fact.

Q.—Well, that is quite fair, that you didn't know anything about it; then you didn't know Ridout in the transaction?

A.—I heard of it later.

Q.—How much?

A.—I told you—five or six weeks.

Q.—Did you hear Mr. Curry had gotten some money out of it?

A.—No.

Q.—You were not then in a position to add up the various factors and see Curry and Ridout in several matters?

A.—I object; Mr. Curry was my friend, whom I thought a great deal of, that I believe now to be an honourable man, and I object to any reflection on Mr. Curry, when a man cannot be here to defend himself. I don't believe Mr. Curry was a man who would take corrupt money in any sense.

Q.—We don't need to reflect on him; we just need to take the evidence as it stands. You knew later Curry did?

A.—I knew of the Public Accounts.

Q.—Was that the first you knew?

A.—First I knew.

Q.—When did you first talk this over with Mr. Raney about the Ridout thing?

A.—Well, I cannot say when it was.

Q.—When you got word that there was something wrong about it did you speak to Mr. Raney about it?

A.—No, I didn't speak to Mr. Raney about it.

Q.—Wouldn't you speak to your own Attorney-General about a thing of that kind?

A.—No, I was not given any very definite suspicion. I was told he had made too much.

Q.—Did you find out then what he had made?

A.—Not definitely. I was told in the neighbourhood of \$90,000 or \$100,000.

Q.—Did you go to the bank to find out?

A.—No.

Q.—Did you ask Ridout what he had done?

A.—No, I didn't.

Q.—You tell us you simply brought it to Mr. Smith's attention and took his word for it?

A.—I took his word for it.

Q.—That you had been advised outside that there was something wrong?

A.—No, I hadn't been advised there was something wrong—don't put words—

Q.—What is the difference?

A.—That there had been a very large profit.

Q.—And it was a matter that would be looked into?

A.—It is fair to say my informant told me that it was a time when of course we should scrutinize such things very closely. He hadn't any definite suspicion, and another thing, I would like to say—my informant didn't tell me he had any suspicions. Merely as a friend he put me on my guard.

Q.—When you got this information, did you go to any financier to ask him what he thought of this proposition?

A.—Which proposition?

Q.—The profit Ridout made on this deal?

A.—No, I didn't. It appeared to me at once to be rather large, and if there had been an opportunity to make him take less I would have been disposed to make him take less, but there was not; it was a straight sale.

Q.—Did you call Ridout in and ask him?

A.—No.

Q.—Did you ask Mr. Smith, make him go over the whole proposition?

A.—I asked him as to the details of the proposition and it appeared to me then to be a piece of very bad business, incompetency, but nothing else.

Q.—Knowing this profit had been made and there had been bad business, because you must remember this was only a temporary loan, it was not a bond issue for ten, fifteen or twenty years?

A.—Yes.

Q.—Knowing that, was there any suspicion in your mind that some of this might be used for election purposes?

A.—No, I hadn't any suspicion. I took it my own instructions would be followed. I was on my guard. That was why it was mentioned to me, but I found out it was a straight loan, as I thought I could rely on, as I think still, it seems to me to be bad business, nothing else.

Q.—If you were on your guard and had been told about that, why did you put that second one through?

A.—That would be very much before.

Q.—But you put three of them through, because, you see, May 8th—the elections were on June 23rd?

A.—25th, I think.

Q.—The date was announced, I think; as a matter of fact, the writs were issued on the 18th of May?

A.—Yes.

Q.—And J. W. Curry was appointed as Registrar in Toronto about—within a few days one way or another, and then this Ridout transaction. Well, is there anything more you would like to tell us about that transaction?

A.—I think I have told you all that I know.

Q.—I just want to get down to the evidence?

A.—I think I have told you all that I know.

Q.—We have also had an investigation into the truck deals of Mr. Biggs in 1921, 1922, the Dundas deal, where there seemed to be fairly large profits. Did you do anything to try and inquire into that?

A.—I attended the Public Accounts Committee and listened to the evidence.

Q.—Did that look good?

A.—I thought it was a very thorough inquiry.

Q.—Well, the transaction?

A.—Well, I am not here—I think, Mr. Price, that question is not pertinent to the matter. I am not here to express my opinion.

Q.—I am just asking that because we are into some investigation into the Provincial Securities Co., and, so—

A.—I have no knowledge and no opinions to express.

Q.—But these things were brought up in Public Accounts Committee. Don't you think it would have been a good idea to try and check them up a little more, and check the Ministers up here?

A.—I thought you did a good deal to check things up, and they were pretty fully gone into.

Q.—You had authority; I hadn't?

A.—I sat here and listened.

Q.—Don't you think it was a pretty fair investigation?

A.—I think you did pretty well.

Q.—Weren't these badges of alarm that you could have taken and rather cleaned things up?

A.—Well, of course, you are getting into matters—you can go into the records of any Government and find lots of badges of alarm. I think I could go into the record of the previous Government.

Q.—I think you could go into the record of any Government, but we have to investigate these things now? A little bit of care.

A.—I could point to a lot of other things, that a little bit of care.

MR. MACBRIDE: You came into power in the fall of 1919. What date did you relinquish power, in 1923?

A.—I think it was the 15th of July.

Q.—The election took place on the 25th of June. You didn't leave office until the 15th of July?

A.—Well, at that we were five days better than our predecessors.

Q.—And you had some suspicions with respect to campaign funds?

A.—I had no suspicions.

Q.—Did you make any investigation?

A.—Knew we hadn't much campaign fund and I believed then, and believe now, that every cent is absolutely clean.

Q.—You made no investigation up to the 15th of July?

A.—No.

Q.—Now something has been said of having some difficulty in the Cabinet on or about that time. The public records show that Mr. Raney, at least they say, Mr. Raney resigned and went away to Atlantic City?

A.—Resigned?

Q.—Decided he would not run in the election; that was reported in the press, and afterwards he came back and found a seat in Wellington. Can you give the Committee any information as to what difficulty arose. I have some information that it was a difficulty between he and the Treasurer?

A.—I haven't that information at all.

Q.—Well do you know as a matter of fact that Mr. Raney had decided he was not going to contest the election?

A.—Well, I don't know Mr. President, whether that is pertinent to it. I don't think you have a right to inquire into that, because it is a personal matter between myself and Mr. Raney. Mr. Raney had a very hard session, and never had any great love for political life; his health was not good and he didn't feel like contesting the election. I persuaded him to.

Q.—Did his decision not to contest the election have anything to do with the representation to you of corrupt campaign funds?

A.—No. Now, I object to words being put into my mouth.

Q.—You said you had a report of certain campaign funds?

A.—I didn't say that at all. I said I had a report as to a large profit being made, and that I assured myself it had nothing to do with campaign funds.

Q.—Do you acknowledge that there was campaign funds?

A.—I suppose there was, yes. I put up a little myself.

Q.—What was the extraordinary urgency of negotiating these loans running into \$15,000,000 between the time the House adjourned, during the time of the election and previous to you leaving office?

A.—That wasn't negotiated between the time the House was adjourned; the 8th of May was considerably before the House adjourned.

Q.—The House was still in session?

A.—In session, I think, until the 23rd.

HON. MR. PRICE: May the 5th?

A.—Well, I stand corrected.

Q.—The House was adjourned 5th of May and immediately after—it was on the 8th—you presided at Cabinet council negotiating a \$5,000,000 loan—\$15,000,000, three days after the House adjourned, when you knew you were going to face the public as Premier. Can you tell us some case of urgency in negotiating that loan at that time?

A.—Well, it would be, as all loans are, to meet the needs.

Q.—Couldn't it as well have stood?

A.—That would be a matter of judgment as to money rates, conditions and everything else.

Q.—Well, I know, but there is the fact, that it was negotiated, extensive profits were made immediately when your Government was about to face the country?

A.—Well, of course, lots of things are done when Governments are going to face the country. Nothing was done that needn't have the full right.

Q.—Perhaps on assumption you have been practising some of the things you think other Governments did?

A.—Nonsense, I will not submit to that.

Q.—I asked a question, now that is in the Public Accounts. You came into the House in 1920 and accepted the Premiership and announced to the public you had decided on a reduction in the Premier's salary?

A.—I did, yes.

Q.—Did you draw that salary in 1921, 1922?

A.—I did not.

Q.—In 1923, after the election was over, did you draw it for that year?

A.—I drew it for part of that year.

Q.—You drew the extra \$3,000?

A.—I didn't draw the extra. I drew what I was entitled to and had left in the Treasury.

Q.—Yes, it is just a question of legality and morality.

A.—Oh no.

THE CHAIRMAN: What is your question?

Q.—Did you draw that \$3,000 extra after your Government was defeated?

A.—Yes; not \$3,000 at all; I think it amounted to about \$2,200.

Q.—After your Government was defeated?

A.—Surely; I was entitled to it by law every year.

Q.—But you announced to the public.

A.—I didn't announce it. Your friend the Telegram announced it. I didn't say anything about it.

Q.—I think you announced it on the floor of the Legislature?

A.—I didn't.

MR. CURRIE: What?

A.—That I was accepting Sir James Whitney's salary? That was made public in this way. I did think, for certain reasons of my own; I believed it would be a wholesome example to the whole Cabinet and service and everyone else. I am sorry now I did it, because I got nothing but blame for it. It was announced in this way. When the first cheque payable to me went through it was at the reduced rate and some newspaper correspondent got it and I think it appeared in the Telegram.

Q.—When you drew your emolument of office for 1923 it was your last year of office?

A.—Quite.

Q.—The check that came to you in the first instance was it for the same amount as the other three years? I want to find out what prompted you?

A.—Well, I had rather expensive election campaign.

Q.—Well, was it drawn as a separate check after the other?

A.—Yes.

Q.—At whose request?

A.—I suppose on my own request. I don't know, Mr. Chairman, that that is any business of this meeting; I was entitled to it by statute, and I could have drawn the remaining \$9,000 if I had chosen.

Q.—Why didn't you?

A.—Because I was playing the game fairly and honestly.

HON. MR. PRICE: In connection with when Jarvis brought this matter to your attention, or did he bring it to your attention, the purchase of inscribed bonds. did he bring the question of your attention or did you bring it to his attention?

A.—Well, I brought it to his attention. This is how Mr. Smith spoke to me about it. I know nothing of what took place behind the scenes or whether anything took place behind the scenes. Mr. Smith first spoke on the matter to me and suggested that Jarvis should be called in to advise.

Q.—It was on Mr. Smith's suggestion?

A.—Yes, and he was called in and the proposition put up.

Q.—And he advised on it as an investment for the Province?

A.—Yes.

Q.—What Jarvis did was to go over and act on his own behalf?

A.—No. When he came to me?

Q.—I mean actually, what happened was Jarvis bought bonds or got the contract practically?

A.—Yes, he got the contract.

Q.—So he really changed his position. First he was the adviser, and secondly he was the one who benefited.

A.—Agent.

Q.—Well, did Jarvis recommend Pepall?

A.—No.

Q.—As financial agent?

A.—No.

Q.—That was Mr. Smith?

A.—That was Mr. Smith, yes.

Q.—Did you say to Jarvis, is Pepall a man I should send over?

A.—No, I didn't, it was after Jarvis came in. I was asking Jarvis' advice, not on the advisability or inadvisability of employing Pepall.

Q.—You asked his advice and whether it was good business for the Province?

A.—Yes.

Q.—He gave you a report.

A.—Yes, after he considered it.

Q.—Did you see Harry Pepall? He was employed by the Jarvis firm?

A.—I didn't know of his existence until it came out later.

Q.—You didn't know when Smith recommended Andy to you Harry Pepall was in the Jarvis firm?

A.—I didn't know there was any such man as Harry.

Q.—If that had been brought to your attention?

A.—I would have been suspicious—I don't know.

MR. LEWIS: One question about the commission with which Mr. Haney was connected, that was the commission appointed primarily for the purpose of investigating the Queenston Chippawa development?

A.—The whole Hydro system; the commission will be a matter of record.

Q.—But that is what the commission was?

A.—Yes.

Q.—And you say these names, including Haney's were under advisement by the Government for a long time?

A.—It was a very difficult matter to get men with proper qualifications.

Q.—Well you said they were under advisement for some weeks?

A.—I don't know that the names were, but the question of getting a commission was for a long time.

Q.—The question of appointing commissions?

A.—As a matter of fact a good many names were canvassed.

Q.—Getting consideration for some weeks?

A.—I think so.

Q.—Do you remember when you first suggested this investigation was to be carried out, that you told the House it would be an investigation by a committee of the House?

A.—I thought it would be practicable. Well, I came to the conclusion it would be a bear garden, like this committee this morning sometimes.

Q.—Let us keep to this point. You tell us that the Government had decided on a commission to investigate this matter and had been discussing a commission and its personnel for some weeks, while the commission was not appointed for some time until after, the House was given to understand we were to investigate by means of a commission?

A.—I think it was some time afterwards. I know there was considerable difficulty in finding men who would have qualifications necessary to investigate.

Q.—You first decided on a committee and you asked for names for that committee?

A.—Quite.

Q.—Wasn't it within a week after that your commission was appointed?

A.—I don't think so.

Q.—Will you say it was not?

A.—No, I would not say so. But I think it was a considerable time after.

HON. MR. RANEY: I think there was considerable delay.

MR. LEWIS: Will you say then the names from the opposition side that were to constitute the committee were submitted to you on a certain day and will you say it was not within a week after that you appointed your commission?

A.—I don't think it was. I think it was a considerable time. Unless the names were submitted after we had already become convinced we were not going on with the commission.

Q.—No names were submitted, and I am suggesting your commission was appointed within a week after the names—

A.—Well, you suggest it. That is all I can say. I know that the matter was under consideration.

Q.—You still say in view of that you had been discussing the question of a commission for some weeks?

A.—What I recollect was the amount of difficulty there was in getting the personnel of the commission.

Q.—Well, we will leave it at that?

A.—But I think it took several weeks.

MR. MCBRIEN: Were you acquainted with a newspaper man in Peterborough by the name of Coyne? His newspaper supported your government in the last election?

A.—I think it did.

Q.—And as far as you know, did Mr. Smith make any investments in that particular newspaper?

A.—I don't know whether he did or not. I know I did, some time ago.

Q.—How much?

A.—\$300.

Q.—What did they give?

A.—Nothing.

Q.—They gave you support?

A.—Oh, this man was a friend of mine of years and years standing. I think I invested \$300 in his paper about 1920. I already had a couple of shares in it. It was a paper that perhaps was needing more capital and I think it was a matter of mere friendship.

HON. MR. RANEY: An agricultural paper?

A.—An agricultural paper.

MR. CURRIE: Did you put any money in the Farmers' Advocate?

A.—No, perhaps one was enough.

Q.—Or Grain Growers' Guide?

A.—No.

HON. MR. RANEY: You are going into Mr. Drury's private affairs?

A.—They are private affairs. I don't see where it leads to.

Q.—You have no knowledge of the late Treasurer making any investments?

A.—I have not.

MR. MCBRIEN: Isn't it the fact that if you hadn't gone to the rescue of the paper it would have gone out of business?

A.—I hope not.

MR. CLARKE: Did \$300 save it?

MR. MCBRIEN: I am not referring to your investments alone, I am referring to other investments made by members of the Cabinet?

A.—Oh, I don't think so.

Q.—You have no knowledge of Peter Smith's?

A.—No.

MR. CURRIE: Was there a fund to invest in these papers to get support for the Farmers' Government?

A.—I think it was a very bad investment to invest in papers at all.

Q.—I agree with you?

A.—I had been interested in the paper a good many years before going into politics.

Q.—You know that the evidence has shown Roadhouse, this gentleman, the Treasurer, was involved in that third transaction?

A.—That has not been brought to my attention.

Q.—Well, it is here; Mathews telephoned to Roadhouse to put the deal through; he telephoned, and those associated made \$50,000 on the deal, and it also came out in evidence that about one-half of that profit, whether it was that profit or not, we don't know, but the sum equivalent to one-half of that profit was transferred to Peter Smith inside a couple of days?

A.—I haven't heard of that at all.

Q.—Oh, well, it is all in the record.

A.—I never read it.

Q.—Then they must have been framing you up desperately in the Treasury Department the last year?

A.—No, I was reading your accounts last year.

HON. MR. PRICE: That is in the Home Bank.

A.—That has nothing to do with this.

MR. CURRIE: It was traced by Mr. Nash and paid to his credit by Mr. Smith and traced down to Mr. Roadhouse a few days after the \$50,000 was made?

A.—I have to accept your word, Colonel.

Q.—That man was your Treasurer for the campaign fund. I am not interested in going into campaign funds, but it did look kind of suspicious that you put a transaction in the way of your campaign Treasurer, whereby he made such a large sum of money?

A.—What was his relationship with the firm?

Q.—He was acting for the firm?

A.—I don't know that I knew he had any relationship with the firm.

Q.—He was an employee, and he engineered the deal.

MR. LEWIS: Cashier?

HON. MR. PRICE: No, he was one of the partners.

MR. LEWIS: My recollections were, I think he was head of the bond department.

MR. CURRIE: Well, Mathews in his evidence stated he arranged the deal with Roadhouse.

THE CHAIRMAN: Roadhouse went down to New York.

MR. CURRIE: And then we have it further in the evidence whereby Mr. Nash traced some cheque for about half of that amount to Mr. Smith and into his account up in Stratford and even the numbers—

HON. MR. PRICE: I don't think that was the same.

HON. MR. RANEY: That statement ought not to go on the record.

HON. MR. PRICE: It was the Home Bank stuff.

HON. MR. RANEY: Well, that is in a different category.

MR. CURRIE: How do you mean, Home Bank stuff. It came out here.

HON. MR. PRICE: What Colonel Currie refers to I suppose is the money from commissions on the Home Bank and the Jarvis deals. I think we should be clear. I don't think there is any evidence that shows that any money went from the Ridout deal into Mr. Smith's pocket. I don't think there is any evidence of that.

HON. MR. DRURY: There is evidence to the contrary.

HON. MR. PRICE: There is no evidence at all that Mr. Smith got anything out of that.

HON. MR. RANEY: Or out of the later transaction with respect to the \$5,000,000 Treasury bills.

HON. MR. PRICE: No, no evidence of that.

THE CHAIRMAN: No, the facts are perfectly clear. There are two deals, \$10,000,000 Ridout deal which resulted in a profit of \$100,000 to Ridout in April and May, and then there is the following one with Osler & Hammond which Mr. Roadhouse engineered, on which he went down to New York, where it resulted in approximately \$50,000 profit to Roadhouse. Now the fact is communicated that Roadhouse, according to your evidence, was Treasurer of the U.F.O. and had that opportunity in mind when the election came along in June.

MR. MACBRIDE: One question on the remuneration that was paid to this Hydro Inquiry Commission, the Gregory Hydro Commission, the remuneration that was paid to them, who fixed that?

A.—Oh, I think it was finally fixed by the present Government.

Q.—No, they were paid certain amounts under the old Government?

A.—They were paid certain amounts on account.

Q.—By way of—

A.—On account.

THE CHAIRMAN: He said his recollection is they were paid certain amounts on account by his Government and the final arrangements made by the new Government.

MR. MACBRIDE: Well the rate per day was fixed for Gregory, \$60 or \$70?

A.—I don't think so.

Q.—The rate for the others \$40 to \$60, and that was in the time of your Government?

A.—Well, you will have to find out what they were paid. I think they were only paid on account.

Q.—Well, they were paid a per diem rate.

THE CHAIRMAN: I think you are possibly both correct. There was a per diem and living allowance.

MR. MACBRIDE: Who recommended that per diem allowance? Which Minister fixed the per diem allowance for Harris, Haney, and the other gentlemen?

A.—I cannot tell you.

Q.—Did you?

A.—No; I cannot tell you that.

Q.—Who recommended Mr. Gregory? You said Mr. Doherty recommended Mr. Haney?

A.—I cannot tell you that, and I don't think, Mr. Chairman—

Q.—I want you to tell me why there was such a large per diem allowance paid to these men for that work?

MR. CURRIE: Mr. Gregory lived in his riding.

MR. MACBRIDE: I want to know, because he has drawn considerable sums, and I propose to have that before we get through? Who recommended Mr. Gregory on that commission?

A.—I don't know that this is at all pertinent.

THE CHAIRMAN: You have already told us you think Mr. Haney was recommended by—

A.—I think his name was brought to my attention.

Q.—His name?

A.—To my attention; the matter was of long canvass and I cannot say who recommended each one.

MR. MACBRIDE: Now Mr. Drury says the personnel was a matter of long consideration. The record of course is that it was first decided by the Drury Government that a committee of this House would investigate and within a week or ten days they reversed this and decided to appoint a commission and this commission is to consist of certain gentlemen who draw large sums from the public treasury. Do I understand Mr. Drury refuses to say who recommended Mr. Gregory?

THE CHAIRMAN: What I have suggested is, Mr. Drury has already said Mr. Haney's name was brought to his attention by Mr. Doherty. If he can

give you the information as to who brought Mr. Gregory's name, or whether it was his own volition, I think he should say so?

A.—It was mentioned to me by Mr. Doherty; I don't know whether Mr. Doherty recommended Mr. Haney, but he mentioned him as a possibility.

THE CHAIRMAN: No, can you give us any information about Mr. Gregory?

A.—No, I cannot, it was a matter of general discussion.

MR. MACBRIDE: As a matter of fact, Mr. Gregory was continuously acting as commissioner for this Government on many occasions?

A.—Oh, two or three small things.

Q.—Who first recommended him to this Government?

A.—All the commissions he had before was the Public Service Commission.

MR. CURRIE: Why he controlled the Farmers' Sun at one stage of the procedure?

A.—He had gone from that long ago.

MR. MACBRIDE: I think it is very important that we should examine into the huge sums received by Mr. Gregory and these huge amounts which were taken out of the treasury for commissions?

MR. RANEY: How about the \$250 a day paid to Commissioners on the Toronto Railway matter?

MR. MACBRIDE: Well, I have no information. Mr. Raney will have a full opportunity of answering questions when he gets into the witness box.

THE CHAIRMAN: If anybody has any questions now is the time?

MR. MACBRIDE: Who recommended them?

A.—I cannot tell you that for I don't remember.

Q.—Can you give us the persons who recommended any of the other commissioners? Who recommended Mr. Lloyd Harris, for instance?

A.—Well, I think I had an opinion of Lloyd Harris as being a very capable business man.

Q.—Exactly, you said so in the House. You are clear on Harris; cannot you refresh your mind as to who recommended Mr. Gregory?

A.—It isn't a matter of recommendation, it was a matter of general discussion. We didn't hand out appointments to any particular minister and say you recommend an appointment and it will go through. It was a matter of serious consideration, and when a man appeared to be a likely man his name was canvassed and I may say most of these commissioners were not at all anxious to go on that commission. Mr. Harris, I had a good deal of trouble to get him to go on that commission.

Q.—For what causes did the Government change its opinion with respect to that inquiry so quickly. A few days afterwards you right about faced? What led you to do that? Did anybody approach the Government and suggest another method was better?

A.—Possibly if the honourable member will think of some of the scenes in Government commissions he can answer his own question.

Q.—Beg pardon?

A.—Perhaps if you could think of some of the scenes and how hard it is for them to get down to business you will answer your own question.

Q.—Well, Mr. Chairman, I will say that the witnesses that have appeared here before, except the ex-Prime Minister, have given us information without reluctance. This is a most notable lapse of memory.

A.—My opinion first was that an inquiry could be handled by a committee of the House and it appeared afterwards it was going to be more complicated.

I don't believe, though first-class fellows, they have the technical knowledge to go over this system in its many ramifications and make an intelligent finding.

Q.—How did you come—you came to a change of mind very promptly?

A.—Yes, the scope appeared to be much wider than I first thought.

Q.—Did you do it of your own accord, or did somebody approach you, or suggest—

A.—Nobody approached me or suggested it.

Q.—You did it of your own mind? The Cabinet did it of its own accord? Thanks for very little information?

MR. CURRIE: I think Mr. Drury should be subject to recall.

HON. MR. DRURY: If you need me, yes. I hope you don't.

MR. SINCLAIR: Mr. Chairman, I have a motion on the order paper here to bring Peter Smith and Charles Mathews before the committee on Wednesday next. I find among some of the members a feeling that probably under all the circumstances—I don't need to refer to what they are—that it would be better if the Public Accounts Committee appointed a sub-committee to go to Kingston and take the evidence there, take evidence in the institution there.

I make this suggestion to the Committee. I don't press it. It would be a matter of greater inconvenience for me to go to Kingston than to come here and examine witnesses, but on the other hand there are certain circumstances which may appeal to the committee, and if it is satisfactory that way I am perfectly willing to go down with such members as the committee may decide, think proper, with a staff of reporters and so on, to take evidence there. I don't think I need say—

MR. MACBRIDE: I would take the very strongest possible objection to that. We have the leader of the Liberal party in the House making certain insinuations. We have the leader of the Progressive party insinuating this Public Accounts Committee did not do its duty last year. Now the ex-Treasurer, we all sympathize with him and regret the circumstances, and I think it would be an outrage to send an inquisition down into a penal institution to a man who is under restraint and undertake to question him. The ex-honourable Peter Smith has stood his trial in the criminal courts of this country. He has suffered for his transgressions and errors and I don't think this committee has anything but personal sympathy for him and particularly for his family. I think that we have got to be fair and square about this thing. The honourable leader of the Liberal party has insinuated he has information, some of his colleagues have information, and at the proper time they will tell it.

THE CHAIRMAN: Do you follow it?

MR. MACBRIDE: I follow him to this extent, that it is proposed he and some others, a sub-committee, shall go down and take a man under restraint in a penal institution. I submit Peter Smith has suffered considerably for his error.

THE CHAIRMAN: I don't think you get Mr. Sinclair's idea.

MR. MACBRIDE: But I get this idea; he is entitled to the advice of counsel before anybody examines him—I don't like to be interrupted every minute.

THE CHAIRMAN: You are quite right and I was only going to suggest that perhaps you did not understand.

MR. MACBRIDE: When I get through! It is difficult to present a case when you are interrupted.

Peter Smith is under great strain and his family are suffering. I have no brief for him, but I have a little sympathy for any man in distress and I think it would be utterly wrong to send a sub-committee down and go up and call

him in, and say we want information from you. That man should have his counsel to confer with and he should be given a fair, square, British deal. He is suffering. I want to be fair. The leader of the Liberal party in the House has made certain assertions in the House and out of the House with respect that the investigations were not conducted properly and a tendency to be restrained. Now we are here to get all the information and we are public men charged with the duty of elevating and lifting up public life. We have to face the electors and we want public life clean and we want to get rid of these insinuations.

The assertion has been made by the member for Northumberland that he had certain information, but this was not the proper time to give it, I presume for election purposes.

MR. CLARKE: No election in sight now.

MR. MACBRIDE: This motion has been before this committee and carried, that these witnesses that the honourable member wants to bring be brought. We are not here to suppress any information. We are here to get the facts, clean and above board, but we are not here to conduct an inquisition against any man who is suffering.

HON. MR. PRICE: I listened to what Mr. MacBride has to say with a great deal of interest, because I feel there has been an impression abroad that—I don't say who is to blame for it—that we should have more witnesses before the committee. I, however, feel, in making the suggestion, probably Mr. Sinclair has been actuated by I know the fairest kind of motives because I think we all agree if anything should happen any member of the Committee and he should be down in Kingston himself, he would hardly care to be paraded before the Committee and give evidence and there is the question of being fair to a man who has erred in public life or any place else.

I know Mr. MacBride has a good heart and while I admit the other thing still if there is some way we can probably work out something that would enable say the Chairman, Mr. Sinclair, or Mr. Fisher, Mr. Raney, someone representing each side, with the stenographer to take down evidence, and if Mr. Smith wants his counsel let him have his counsel there, I think probably we would get all the evidence, and have a full cross examination.

MR. MACBRIDE: Well, will you permit me. Mr. Smith is in a penal institution. He has no way of communication with counsel or anything else. If you will agree that he shall have the advantage that any man will have of consulting counsel then I have no objection.

THE CHAIRMAN: I think we should go further than that. I think we know who acted for Mr. Smith at the trial. I think that the committee should—

MR. CURRIE: Consult him.

THE CHAIRMAN: Not only consult him but see his counsel is there and available to advise him before the examination.

MR. MACBRIDE: I think before any inquisition starts to draw information from this man that his counsel should be present. I am perfectly willing providing counsel for this man and any other man in a penal institution is there. We have got to be fair.

MR. CURRIE: I agree with Mr. MacBride and say it would be up to Smith whether he comes, he voluntarily comes. He doesn't exist as far as this committee is concerned. He is in the custody of the King, and, before dragging him up here I think he should be communicated with and asked if he has anything further to say in this matter, and if he wants to say so we will bring him up here. He can have counsel, and see that he is properly treated and gets British

fair play. But to go to work and drag him up here just because somebody says there is some insinuations, I should think that would be wrong. I should think it would be up to Smith to volunteer whether he goes into the box or not on the advice of counsel, because that is the way British fair play is handed out. He might incriminate himself in something further that might get him eight or ten years. Counsel is necessary there. The same with Mathews, and I should think their counsel should be communicated with by the Chairman. Immediate steps should be taken to see if these men wish to come up before the Committee before we take any further action.

MR. MACBRIDE: I think in view of the fact that a resolution was carried at the instigation of the Liberal leader that these men be brought here and he undertook to produce certain men and said he knew he would produce them after, our proper method should be to perhaps appoint a sub-committee as suggested for these men in a separate room here. Have them in a separate room in these buildings, treat them with all kindness, and I don't think they should be exposed. I don't think they should be humiliated in the slightest, but I think we should be fair. I propose you entertain Mr. Sinclair's proposal for a sub-committee but that you see to it in view of the fact that a resolution has been carried, and certain insinuations made.

MEMBER: You change your mind too.

MR. MACBRIDE: No. That the inquiry and the examination is conducted in a room in these buildings, the inquiry and examination is conducted in a room in these buildings and that the solicitor for the men who are in the penal institution be informed and given an opportunity to consult with them, but I don't think we should retrace our steps after carrying a resolution to bring them here and not do it. Any man with reason knows that men in a penal institution are under great restraint and humiliation, and are knowing nothing of what is going on outside. The possibilities are Mathews and Smith know nothing about what has transpired, and a committee of this House will go down and walk in and start to question them. It is the most unfair advantage that could possibly be taken. I think the men should be brought here, treated decently, taken into a room here. There are plenty of rooms, and not humiliate them before this Committee and the public, and the representatives of each party and the House, taken into that room, and given an opportunity to question the men any way they wish. Let us get the information, but let us get it in a humanitarian way, and as for changing my mind, I have my mind set on only one goal in regard to this inquiry; it is most distasteful, but we propose to go on and fulfil our duty so that perhaps in the House, in the Legislature, and on the platforms throughout the country, certain men cannot play politics with this thing. Let us clean it up.

MR. CLARKE: I am only getting up in fairness to Mr. Sinclair. Until I came in this room I had no idea of this investigation taking place in Kingston. It is something that has been spoken to by somebody since it came in here, so it is all new, and I can only say that I think the only object that Mr. Sinclair had would be possibly the human sympathy of the members of this House might have for a man coming up here as the late Treasurer would have to do in place of going down quietly if possible. It is the human part. If the members of the Committee think it is going to be any advantage to the Liberal party to bring them up here or bring them down there let them do as they like. It is evidence we need. It is evidence we expect to get, and my friend quotes me as saying we believe we have it. I believe we have it, but many times we have believed we had things and it didn't prove to be just in our arms. So this may

not be. But all the effect of this is surely a small committee. I am not advancing it, I am willing they should go. God knows some time I may be down in the blooming penitentiary and I would hate to come up among all the fellows I knew. I would not feel at home at any rate. I have the same feeling, and I don't know that I would feel at home down there. But I have the same feeling for any man that is unfortunate in that way. But all I say is, can we get the same information down there with possibly all that strain when the unfortunates would have to come before the Committee that we could get here. If we can, it appeals to me to be only naturally humane to try and do the work down there.

THE CHAIRMAN: I understand everybody in the Committee feel it is only fair to Smith and Mathews that the Committee should authorize me to allow their counsel to consult them before they give evidence.

MEMBERS: Carried.

THE CHAIRMAN: Well, we will start on that. We have agreed that Smith and Mathews will have the right to consult and be advised by counsel before giving evidence. Next, are we agreed it is better to have them appear and give evidence before a small sub-committee rather than this large Committee?

MR. WILSON: One observation. If I gather the feeling of this Committee correctly they are pretty well agreed his evidence should be given before a sub-committee.

THE CHAIRMAN: I was just coming to that—

MR. WILSON: Please! The question is, if that is so, where is the sub-committee to meet. I don't think it is necessary for me to go into detail to intimate it would be more embarrassing for Smith to appear before a sub-committee of some fellow members perhaps down in Kingston than it would be here. The situation would be entirely different. I think you all know what I refer to. There is another advantage to having a sub-committee question him here. We are getting near the conclusion of the session and if the examination is here the full Committee could have the benefit of having a report from the sub-committee before he departs, so in case you want anything more asked by the sub-committee it could be asked. Therefore it strikes me strongly it is better to have the examination—one advantage that we will be able to have him here.

I notice in this morning's paper where a cabinet minister at Ottawa stated he had received no communication to have him brought here. I had the impression Mr. Sinclair had given some sort of undertaking that he would see that he would be here. If Mr. Sinclair can repeat that statement that he can see he will be brought here—

THE CHAIRMAN: The next step is, are you agreed it is better to have him appear before a sub-committee than before the large Committee?

MEMBERS: Carried.

THE CHAIRMAN: Now the step that remains is, do you want it here or in Kingston? What strikes me is this, that if he is taken from Kingston he will be photographed, his wife will be humiliated, and all the way up—we know what happened last year. I think that is what is—

MR. SINCLAIR: That is the whole point.

THE CHAIRMAN: Now, Mr. Wilson suggests we could keep him here and then have him go back.

MEMBER: That is hardly possible because the reporters could not extend the notes and supply them. We must figure we will do it in one bite. Will it be here or in Kingston?

MR. MACBRIDE: I object strongly to it being in Kingston.

THE CHAIRMAN: Make a motion.

MR. MACBRIDE: Assertions have been made on the floor of the House, and the suggestion was we were endeavouring to suppress information. That is the inference that has been left. I don't think it is fair to ask Peter Smith to give evidence in a penal institution. I think it is the duty of the Committee to see that he is not photographed and he is not humiliated. I don't think representation in that Committee should be confined only to the leaders of the various groups.

THE CHAIRMAN: Then—

MR. MACBRIDE: I move Mr. Smith be brought here and that all groups in the House be given representation on the Committee.

THE CHAIRMAN: Let us get rid of one thing at a time.

MR. MACBRIDE: It is most difficult. We owe courtesy, but when a member is trying to make his motion, he is continually interrupted by the Chairman, and I think we are entitled to courtesy. My motion is that Mr. Smith be brought here, that a sub-committee representative of all parties in the House—I mean that the U.F.O., which is now represented by two, should be given representation, and I don't think it should be confined to what is known as the Progressive party. I would like to see Mr. Oke, of the original U.F.O. party, on that committee, so we will all be represented and get the facts, and get the thing once and for all.

MR. WILSON: In seconding that motion I just want to make this observation. It is not hard to imagine how distasteful it would be for Mr. Smith to appear before this committee in Kingston in the condition in which he will have to appear before them. What I want to say, has any communication been made with Mr. Smith, or is there anybody here who can give us any indication as to what Mr. Smith's own preference in the matter would be. I don't know whether there is anybody in the room who is connected with him in any way, in such a fashion that he might give us some assistance in that connection. It might be that there is some gentleman here, for all I know, who may be able to answer that question and let us know what his preference in the matter is.

HON. MR. PRICE: I think that every member of the Committee realizes that it makes no difference to us whether Mr. Smith or Mr. Mathews come here or are examined in Kingston. Personally, I am just stating it from a personal aspect, I think we all want to deal as kindly with Mr. Smith as we can. Whatever mistakes they made they are paying the penalty, and I think I appreciate Mr. Sinclair's position.

I don't know what evidence these men will give us. I don't know whether Mr. Sinclair knows what they will give, but the main thing is for the public to know, as I take it, that whatever Mathews or Smith says will be down in black and white by a stenographer, will be sworn to, and that Mr. Smith has had fair counsel when he gives his evidence, and Mr. Mathews the same, and that, as Mr. MacBride says, each group in the Legislature, as we have agreed to appoint the committee now, should be represented.

I would say that if that is done, while it doesn't make any difference to me, I should say it would be better for the committee to go down, because we have a very short time before the House will likely rise. We are all anxious to get away, and while we are all anxious to get this evidence, if they could go down there Monday. We all of us could get Mr. Smith to come up here on order of a court, as honourable members belonging to the legal profession know. Then, with the consent of the Minister of Justice, he could be brought up.

MEMBER: If necessary.

HON. MR. PRICE: There will be no difficulty in that, no difficulty at all, unless he objects when he came here to giving evidence, or objects down there. But if the Chairman, the Secretary, Mr. Smith, a representative appointed by the Liberal party, one appointed by the U.F.O., one appointed by the Conservatives—Mr. Oke, or Mr. Heenan, if you like—will all get together and examine Mr. Smith down where he is at present, I cannot see myself how the interests of justice would not be well served.

I realize that there has been a lot of talk about this. I think I have borne the brunt of it myself, but I think I can come before this Committee in good faith and insist on fairness to everybody. We haven't had a word from the U.F.O. group as to what they think. I think it would be well to hear from them. But let us approach it from that angle and I think if you do that you will practically agree the committee should be appointed that they should go down and get the information. Just see what happens with a man coming up from Kingston, in the streets, on the public sidewalks, in the corridors, everybody looking at him, and up here. I think it would be better myself to have someone go, as far as I am concerned.

HON. MR. RANEY: We will be very glad so far as our group is concerned to leave this question with the Chairman and the Treasurer and Mr. Sinclair, I mean, not to conduct the examination, but to decide on a course of procedure. Leave it to the Chairman to name the committee. I think we can trust these three men—

MEMBERS: Carried.

MR. SINCLAIR: The whole point is just where this examination will take place. I am perfectly satisfied that the Committee will do justice under the circumstances, and I raised the question here just for the reason I mentioned and one or two other gentlemen mentioned. If they are brought up here and the examination takes place before a sub-committee we might just as well have it before this Committee at large. There will be all that publicity, all the unpleasantness, and as far as witnesses having any restraint down where they are, I do submit they will be in a far better condition with the advice of their counsel which I don't object to, to give evidence, and yet avoid embarrassment of any kind, and the Committee will get the benefit of the evidence just as quick as they would taking it in a small committee room here with a small committee. I would submit that if this Committee decides on a sub-committee here they have negatived everything I have in mind to avoid unpleasantness.

MR. CURRIE: This is a matter that affects me personally. I haven't got a very thin skin, as everybody knows in the room. I can stand the bricks, mortar, and everything else they can throw at me, but this man Mathews was examined largely by me and by the Treasurer here last winter at the last meeting of this Committee, at least last session, and when the facts were brought out and the examination on one of these young men that Mr. Mathews was guilty of accepting or taking the part of the money that was made in the bond transaction, virtually making a criminal of himself, the question was raised by one of the members that he should go in the box, and I, as examining counsel for the Committee, I sat quiet, and the reason that I sat quiet and so did Mr. Price, was that everybody knows who has attended in the trial, especially of inquiries where a man is charged with offences, and this is an inquiry free and open, and a man who is charged with crime immediately is entitled to the benefit of counsel and you cannot force him into the box. And that has been hurled all over the

country, that I was trying to suppress Mathews' evidence, and that he had a tremendous story to tell about the Tory party.

Now I would have liked to have talked to Mathews right in this committee room and to those people who have made those insinuations. I am not going to object to this committee going, but I say you are putting me especially in a very unfair position. You are preventing me from clearing my skirts, and there is a situation I know that you will all sympathize with. If I got a chance to say anything to Mathews, or to examine him. What right has the public or the press to charge me with suppressing evidence? Everybody knows I haven't tried to suppress any evidence. If anything, I was going too far the other way. Putting this off in a hocus pocus corner may be all right as far as Mathews and Smith is concerned, but it doesn't give me any relief.

HON. MR. PRICE: Well, you go down.

MR. MACBRIDE: There is only one objection that I have seen there would be, that the undue publicity would be affecting to Mr. Smith and Mathews. Surely we can trust the press, and I think we can let it be known at the request of this Committee photographs be not taken and undue publicity. The press have as much humanitarian instincts as we have and they will not unduly exploit them. Secondly, he doesn't need to come on a train. All I say is that the motion of the Committee originally planned stands, with the qualifications that have been agreed upon here.

In regard to photographs, that could be obviated very easily. There is nothing to prevent us sending an automobile or two to bring them up from Kingston and avoid that publicity.

MEMBERS: Question, question.

MR. MACBRIDE: I do think if you are going to-day to appoint a sub-committee the first thing you should do was to consult with the counsel of these men, whether to go to Kingston or examine them here. If you will advise with counsel as to whether you should bring them here or go to Kingston, I am content with registering my objection, but I am not going to—

THE CHAIRMAN: As I understand, the motion was made that they come here, is that withdrawn?

HON. MR. PRICE: Mr. MacBride withdrew his motion.

MR. MACBRIDE: No, it stands, and I am going on record.

THE CHAIRMAN: Well, that stands.

MR. GRAVES (entering): I don't know what you are talking about.

THE CHAIRMAN: We have agreed on two things; first, the Committee will furnish to Smith and Mathews their counsel and they will have an opportunity of consulting with counsel and be advised by them before they give evidence. That is fair. And then we have also agreed on a further subject, that the evidence will be heard by a sub-committee, on which all parties and groups in the House will be represented. Now the question is where will they be heard. Mr. MacBride moves, seconded by Mr. Wilson, that the examination of Smith and Mathews take place in Toronto.

MR. MACBRIDE: I will amend it to say that Mr. Smith and Mathews be examined at such place as their counsel will agree upon, either here or Kingston.

THE CHAIRMAN: Well, the motion by Mr. MacBride is that Smith and Mathews be examined pursuant to the former resolution at such place as may be arranged by the Chair with counsel representing both Smith and Mathews.

MR. MACBRIDE: And that all groups be represented.

MR. SINCLAIR: I do think we should settle the question, Kingston or Toronto. That is all there is to it. I don't understand what the motion means.

THE CHAIRMAN: That he instructs me to see counsel for Mathews and Smith, find out whether they would prefer to have the examination at Kingston or Toronto, and then proceed to appoint a sub-committee for the purpose of going to Kingston or examine them here.

MR. SINCLAIR: We delegate all our authority to two counsel. I don't think that is right. I don't see how we can do that.

MR. WILSON: As I understand it, the only consideration has been, where is the best place that the Committee feel would be the best for Mr. Smith. The reason for Mr. MacBride's motion, as I understand it, is that we shall consult his counsel to find out which place is the more desirable.

THE CHAIRMAN: There are two of them, Smith and Mathews.

MR. CURRIE: This Committee is a common-sense committee and it is going to change its mind in a few minutes. There are reasons why these men should be examined here. Every one of us are busy men. We have to attend four or five committees a day. If you go to Kingston it is going to take two days. I want to attend, if I can be allowed to, and ask Mathews some questions, and it will be very inconvenient for me to go to Kingston. I am all fed up on having such an awful lot of sympathy for these people. They have no sympathy for us. Let the Committee be sensible and let them be examined here. You can send the committee down to Kingston and they may go and ask Mathews some questions and he says go and hang yourself; and the same with Smith; he won't answer questions, and you have sent the committee down on a fool's errand. That is likely what is going to occur. Let us be sensible. You have voted one thing.

MEMBER: We haven't voted at all.

MR. CURRIE: Well, I understand last meeting we voted that Smith and Mathews be sent for.

MEMBER: I think the Committee here had better settle where the inquiry is to take place.

MR. MACBRIDE: I move that the inquiry be conducted here by sub-committee in the Parliament Buildings.

MR. WILSON: The reason I seconded that—I understand the Committee has agreed on the change of the last policy, namely, that it goes before a sub-committee.

THE CHAIRMAN: As I understand it, the question is Mr. MacBride's motion, seconded by Mr. Wilson, that a sub-committee be appointed, representative of all parties and groups, for the purpose of taking the evidence of Smith and Mathews and the same evidence be taken here as rapidly as can be arranged.

MR. MACBRIDE: There is a motion on the record now, moved by the Honourable Liberal Leader, that these men be summoned before Public Accounts Committee; that motion will have to be rescinded before another motion can take its place.

THE CHAIRMAN: It is being done by Mr. Sinclair's consent.

MEMBER: But only on the understanding that it was to be an inquiry in Kingston, with the consent of counsel for both parties.

MR. WILSON: Does Mr. Sinclair still undertake to produce these witnesses here? He gave that undertaking here before. Have we got them now for next Wednesday?

MR. SINCLAIR: I never used the word "undertaking." I fully expect they will be here, or I would not have said what I did. If you fellows don't talk so long I might have some news. I haven't got my mail to-day. We will let this thing go this way.

THE CHAIRMAN: The position is this, at the last meeting when this was brought to Mr. Sinclair's attention, to the fact that these people were prisoners, he stated frankly he would look after getting them here. I don't understand that he gave a personal undertaking to bring their body here, but if he doesn't do it we cannot help it.

MR. MACBRIDE: Is my motion in order, that a sub-committee be created and that witnesses be brought here.

THE CHAIRMAN: The motion is, by Mr. MacBride, that Smith and Mathews be examined pursuant to Mr. Sinclair's former resolution and that they be brought to Toronto for the purpose of examination and there be examined by a sub-committee, to be appointed by the Chairman, representative of all parties and groups in the House.

MEMBER: By automobile.

THE CHAIRMAN: All those in favour say "aye."

MR. GRAVES: I think the only difference between Mr. Sinclair's motion and this motion is that Mr. Sinclair doesn't want the sub-committee; he wants the general Committee.

THE CHAIRMAN: He wants the sub-committee in Kingston.

MR. GRAVES: But if they come up here he doesn't want a sub-committee.

MEMBER: Why not vote on it separately? You are voting on two conflicting motions.

THE CHAIRMAN: The motion is before the chair and the ayes and nays have been taken. It is too late.

MR. MACBRIDE: I don't want to be unreasonable.

MR. MAGEAU: Question, question. I think the question is before the House.

THE CHAIRMAN: Order, order.

MR. MACBRIDE: Mr. Sinclair isn't going to get away with this while I am a member. I made my motion on the assumption as announced by the chair, on the assumption that you had decided to appoint a sub-committee.

HON. MR. PRICE: I think the Committee is really fighting a shadow. I don't see what they are scrapping about. I have been sitting here trying to figure out what was the difference in the opinion, and as I gather the suggestion was how to save Smith and Mathews. All we have to consider is whether by bringing them up here and putting them in another room you are saving them anything. Personally, I think the Committee would be well advised to appoint their sub-committee and let them consider it for a few hours, and we will have a meeting again—it is next Wednesday—and work it out. We all want to get somewhere, and a little bit of common sense would be better. I would suggest to Mr. MacBride, Wilson, and others, all of whom want to do the right thing, that the Chairman, Mr. Finlayson, Mr. Sinclair, and Mr. Raney discuss the thing and then come back to the Committee with something they all can agree on. Let in touch with Mr. Lennox.

MR. MACBRIDE: That is what I said.

MR. PRICE: Is that satisfactory?

MR. SINCLAIR: Absolutely no, because we won't get anywhere. We have taken a vote on Mr. MacBride's motion—if this thing drifts over it will drift over into next week.

HON. MR. PRICE: I mean right this afternoon.

MR. SINCLAIR: I think we had better settle it now.

MR. WILSON: Mr. Chairman,—

THE CHAIRMAN: You are out of order if anybody objects.

MR. WILSON: As to this motion, Mr. MacBride and I have only made that motion that it go to a sub-committee here on the assumption that this Committee is unanimously agreed that the matter be taken from the general Committee and go to a sub-committee. Unless that is the agreement, we don't make any such motion, because we are not taking the responsibility of taking this away from the general Committee and giving it to a sub-committee, and Mr. Sinclair has got to show his hand on that.

THE CHAIRMAN: If you think, you will see we are agreed on two things, first of examination and then of examination by a sub-committee, and we are down to the matter of venue, is it going to be Kingston or Toronto. We took the ayes and nays, an appeal is being called for. We must continue.

MR. MACBRIDE: I desire to withdraw my motion.

MR. MAGEAU: We ought to have some decency. You have already taken a vote, and Mr. MacBride has been making one motion and then going back to the original motion and then all at once you ask him to have the vote polled, and he says "withdraw it."

MR. WILSON: Mr. MacBride and I had the same understanding. Even Mr. Price was surprised when Mr. Sinclair said no. Now that motion has been passed on a false assumption. We all thought Mr. Sinclair and everybody else had agreed that the matter had been taken from the general Committee and would go to a sub-committee. The motion has been put on false premises and we can withdraw it.

MR. MACBRIDE: My motion was passed on wrong premises, that there were certain undertakings. I submit that there is a motion on the record moved by Mr. Sinclair and carried unanimously and that motion stands. I withdraw my motion. Let Mr. Sinclair take his own responsibility.

THE CHAIRMAN: We are in the middle of a vote we have to complete. You have your remedy and you can—

MEMBER: Anything before the House?

THE CHAIRMAN: The ruling is this, that we have got to the stage where we are voting on it and I cannot change it.

MR. WILSON: I want to appeal from the ruling.

MR. GRAVES: Do you mean to say a motion put in here under a misapprehension is in order?

THE CHAIRMAN: We have gone as far as the vote and you can vote any way you like.

MR. WILSON: Mr. Chairman, that motion was not in writing. It was never put and never carried.

THE CHAIRMAN: This Committee is getting out of hand and possibly displaying a little temper—

MR. MACBRIDE: I am displaying no temper. There is a motion moved by Mr. Sinclair on the record to produce certain witnesses; that has not been rescinded, and as a result of certain misapprehensions here this morning I moved a motion. But the resolution, it was out of order, and it was based on wrong premises, and I have the right to withdraw it, and it should not be voted upon.

MR. WILSON: And I have appealed from the Chairman's ruling.

THE CHAIRMAN: Do you realize you have the issue very much in your own hands; vote this down.

MR. MACBRIDE: I object to being put in a false position before this Committee. I regret—

THE CHAIRMAN: Mr. MacBride,—sit down, please.

MR. WILSON: Well, will you take a vote on my appeal?

THE CHAIRMAN: Do you realize you have to have two-thirds to appeal?

MEMBER: It is utterly wrong—

THE CHAIRMAN: Just a minute. The chair has ruled that the vote being taken—

MR. WILSON: The chair should not argue on it.

THE CHAIRMAN: The ruling of the chair is that it is impossible to stop the vote at this stage. Mr. Wilson appeals from it. All those in favour of sustaining the chair will say aye. Against, nay.

You will have to poll them; I cannot say.

MR. GRAVES: Cannot you settle this?

THE CHAIRMAN: No, we are in the middle of an appeal. There is no discussion on an appeal.

MR. MACBRIDE: Well, there is no motion of mine before the chair.

THE CLERK: The ayes 18, nays 3.

THE CHAIRMAN: The chair is sustained apparently. Now, gentlemen, we are back where we were before. Mr. MacBride's motion was voted on and I don't care to declare the vote. We will call the roll on Mr. MacBride's motion, that the examination take place here before a sub-committee.

MR. CURRIE: I don't wish to butt in, but I think we are mixing ourselves all up and we should carry on with decorum. If Mr. MacBride's doesn't wish to press his motion I think we should let him, before the vote is taken he should be permitted to do so. He finds himself in a wrong position, and I don't think it is fair for the Committee to force him into a wrong position.

THE CHAIRMAN: If the Committee is unanimously agreed—

MEMBER: To let him withdraw? I think that should be done.

THE CHAIRMAN: Then is everybody agreed to let him withdraw?

MR. MACBRIDE: I tried to withdraw it early.

THE CHAIRMAN: Now we have agreed on some things, on the counsel. Where is it to be held? It is your matter, Mr. Sinclair, you should put something.

MR. SINCLAIR: My view is the view I moved, that the examination be held at Kingston.

THE CHAIRMAN: Moved by Mr. Sinclair that the examination of Smith and Mathews take place at Kingston.

MR. WIDDIFIELD: Second it.

THE CHAIRMAN: Any discussion?

MR. CURRIE: I will move an amendment that the examination take place here.

MR. SINCLAIR: You don't need an amendment if you defeat the motion here.

THE CHAIRMAN: Do you want to press it?

MR. CURRIE: Yes, I will press it.

THE CHAIRMAN: The original motion is that the examination take place in Kingston. By way of amendment Mr. Currie moves, seconded by Mr. Wilson, that the examination take place in Toronto. The question is on the amendment.

HON. MR. PRICE: What is Col. Currie's amendment?

THE CHAIRMAN: That the examination take place in Toronto. The original motion was in favour of examination in Kingston. All those in favour of the amendment will say aye. Opposed will say no. We will have to poll the Committee on that.

HON. MR. PRICE: You don't need a poll on that, you can tell.

THE CHAIRMAN: Well, those in favour of Mr. Currie's amendment will hold up their hands.

MR. MACBRIDE: I want a poll of the vote, Mr. Chairman. This may become of importance.

(Ayes, 7; nays, 17.)

THE CHAIRMAN (after the poll): The amendment is lost. Are you satisfied to have Mr. Sinclair's motion go through on the same division?

HON. MR. PRICE: The same division.

THE CHAIRMAN: I declare the motion by Mr. Sinclair carried on the same division, with the figures reversed.

So the general result of our little deliberations and various misunderstandings is that there will be constituted a committee named by the Chairman, representative of all groups, that will proceed to Kingston as speedily as possible for the examination of Smith and Mathews there. Let me say, in conclusion, I am relying on Mr. Sinclair to make the arrangements.

MR. MACBRIDE: I haven't made any motion this morning for a sub-committee.

THE CHAIRMAN: Any other business?

MR. CURRIE: Before you go I want this decided, whether the press is to be admitted to this examination at Kingston. They have asked me to ask the Committee that question. Now, unless there is any objection to it, I think that the press will be admitted to the examination.

MR. MACBRIDE: We think so; we can well leave it to the discretion of the press.

THE CHAIRMAN: Is it the pleasure of the general Committee that the arrangements be made with the press for attendance, if we will be allowed, down there.

Carried.

MR. MACBRIDE: I want to ask Mr. Raney some questions and I want to be here when he is here.

THE CHAIRMAN: I think the only thing we can do is this. Mr. Sinclair is trying to make these arrangements. As soon as we know we can call this Committee together.

MR. MACBRIDE: As long as it won't be called Monday night or some time when I am not here.

THE CHAIRMAN: Order. When are we going to adjourn to? Sine die and make arrangements? Is that satisfactory? The Committee stands adjourned sine die, the date will depend on what arrangements are made.

The Committee then adjourned.

The Committee met at ten o'clock on the morning of April 7, 1925, with Mr. Finlayson in the chair.

THE CHAIRMAN: Do you want the minutes of the last meeting read?

MEMBERS: Dispense.

MR. CHAIRMAN: Is it the pleasure of the Committee that the reading of the minutes be dispensed with? Carried.

Gentlemen, the Committee will remember that the last meeting of the Committee the chairman was instructed to name a sub-committee for the purpose of going to Kingston to obtain the evidence of Peter Smith and Charles A.

Mathews. After the Committee adjourned, Mr. Sinclair took the matter up with the Department of Justice at Ottawa, and obtained a ruling from them it was not permissible for the press to be admitted to the penitentiary. He obtained authority from the department for the committee to go through for the purpose of taking evidence, and the department intimated that they would like the numbers of the committee to be as small as possible.

MR. SINCLAIR: You mean all right; you say I obtained a ruling to exclude the press.

THE CHAIRMAN: I don't mean that you asked for it. I understand Mr. Sinclair communicated with the department to the effect that we were quite satisfied the press should go, but the department at Ottawa said it was against the standing rules that the press should not be admitted to the penitentiary.

I consulted with the leaders of the various parties and groups in the House, and they have made nominations of who they wished to go on the committee, and the result was the committee consisted of Honourable Mr. Price, Honourable Mr. McCrea, Honourable Mr. Raney, Mr. Sinclair, Mr. Homuth and Mr. Oke.

The committee proceeded to Kingston on Sunday and yesterday morning the evidence was taken, and the evidence was transcribed last night and is available here. The sub-committee instructed me not to give any copies to the press until the report was made here. The sub-committee felt that we were the creatures of this Committee and it would be improper for us to divulge anything until the report was made to this Committee. The evidence is here. I don't know whether the Committee wish to have it all read, it is quite voluminous, I think there are some fifty odd pages.

MR. BLACK: Can you not give us a brief outline?

THE CHAIRMAN: Well, if it is the pleasure of the Committee, but before we go into that, the papers have been bothering the life out of us to let them have it, particularly the evening papers; is it the pleasure of this Committee we have copies marked for the papers, and is it the desire of the Committee that they be given at once?

MEMBERS: Give it to them.

THE CHAIRMAN: Now one member of this Committee suggests that we should have to give a summary, is that the pleasure?

HON. MR. RANEY: I don't think that would be satisfactory.

MR. SINCLAIR: I don't think it would be very satisfactory.

MR. McKEOWN: That would lay you open to not giving it exactly correct.

THE CHAIRMAN: What is the pleasure of the Committee?

MEMBER: Let us have it read.

MR. WIDDIFIELD: It is the only way.

THE CHAIRMAN: There are fifty-three pages of it.

MR. THOMPSON: The evidence had better be submitted to this Committee.

THE CHAIRMAN: You mean, the whole of the evidence read to it?

HON. MR. RANEY: Either to-day or to-morrow.

MEMBER: How are we going to know anything about it if you don't read it to us?

MR. THOMPSON: I move the evidence be read to this Committee.

MR. WIDDIFIELD: I second it.

THE CHAIRMAN: Any discussion? Moved by Mr. Thompson, seconded by Mr. Lethbridge, that the evidence of the sub-committee, as taken yesterday at Kingston, be read in full to the Committee. Those in favour. Any opposed? I will declare the motion carried. Who is going to take the obligation of reading it?

MEMBER: Take it in relays.

THE CHAIRMAN: If you are willing, I will read for a while and then somebody will relieve me.

The Chairman then reads the evidence adduced by the sub-committee at Kingston, April 6, 1925.

PROCEEDINGS OF THE SUB-COMMITTEE OF THE PUBLIC ACCOUNTS COMMITTEE OF THE ONTARIO LEGISLATURE.

Evidence taken at the Penitentiary, Kingston, Ontario, on the 6th day of April, 1925.

Committee: Chairman, Mr. Finlayson; Members, Messrs. Price, McCrea, Sinclair, Raney, Oke and Homuth. Counsel, H. H. Gordon, for Charles Mathews.

MR. GORDON: I represent Mr. Mathews. I am going to ask the Committee for the customary protection to be given to my client, that he be safeguarded with respect to all evidence that he is here to give, in that nothing that he says can be used against him in any future action that may lie against him. I would like the Committee to understand that.

HON. MR. RANEY: That follows from the request.

HON. MR. MCCREA: How far can we give immunity?

HON. MR. RANEY: It is only a request.

THE CHAIRMAN: He is asking for protection.

HON. MR. RANEY: So far as we can give it, we ought to give it.

THE CHAIRMAN: Has anybody locked up the section? Do you think that applies to a Parliamentary Committee?

MR. HOMUTH: I think this would apply to the Public Accounts Committee.

HON. MR. MCCREA: What is the rule, Mr. Raney?

HON. MR. RANEY: My understanding is all a man has to do is to claim protection.

HON. MR. PRICE: I do not think we can make any ruling.

HON. MR. RANEY: I think he gets it by reason of claiming.

HON. MR. PRICE: I think it would be something that should be referred to the Crown.

HON. MR. MCCREA: The usual practice in a court when a request of that kind is made, the court as I recall it, usually seeks the advice of the Crown before giving the accused any undertaking or authorizes the giving of any undertaking. That is, as I understand, the usual practice. What do you think, Mr. Sinclair?

MR. SINCLAIR: I am not too familiar with it.

THE CHAIRMAN: That is not under the Ontario Act.

HON. MR. RANEY: We ought to see both Acts.

HON. MR. MCCREA: What is your own view, Mr. Gordon?

MR. GORDON: My own view is this committee cannot give this man protection.

THE CHAIRMAN: Have you looked it up?

MR. GORDON: It seems to me it should be a judicial committee.

HON. MR. MCCREA: I would hesitate as a member of the committee to give any undertaking, but so far as Mr. Mathews is concerned, he should have protection, but we do not know what our powers are. I doubt very much whether we could give any such.

THE CHAIRMAN: There is a question as to whether any committee can. I think it should be submitted to the Committee.

HON. MR. RANEY: You could send a wire and get an answer from the Attorney-General in half an hour. When Mr. Hart appeared before the Committee, we could not make any promise, but referred the matter to the Attorney-General. I fancy this committee could say we would recommend. There are two members of the Government here. If the committee recommends to the Government there would be absolute immunity for Mr. Mathews—

MR. GORDON: I do not suppose we will ever want the protection.

HON. MR. MCCREA: Subject to a reference to the Committee, I think we should go on, and when the occasion arises, his request could be made to the Committee and could be dealt with then. We should decide what position to take.

MR. GORDON: It could proceed until such time as I thought I wanted to have a definite ruling.

THE CHAIRMAN: The understanding is merely, go ahead, you will allow Mr. Mathews to go ahead and give evidence, reserving the right to ask for definite protection, or give such advice as you think proper.

MR. MATHEWS: I wanted to know, as I have not had a great deal of experience, and I want to know what the form of evidence is to be.

MR. GORDON: Do you want him to give hearsay evidence, gossip, or according to the rules, the strict rules of evidence?

HON. MR. RANEY: Had you not better wait until the question is raised?

MR. SINCLAIR: In the Public Accounts Committee we take evidence we do not take in a court of law. There is more latitude in this Committee than in the regular court.

THE CHAIRMAN: There is no doubt, although we have been trying to obey the law of evidence to the letter, you will remember that last year, we found Colonel Currie getting out information, and you remember his definite question about the atmosphere of the Home Bank. What do you think, Mr. McCrae?

HON. MR. MCCREA: My own view is we are down here to perform a definite duty on behalf of this committee. They sent us here so we can obtain from this witness, and I suppose from Mr. Smith, every bit of evidence that these men can give us, and the main thing is the question as to whether or not we are in a position to give him the protection requested. When these questions affect a man in public life, or men, I do not care what side of politics they are on, it is unfair to them to have their names bandied about with what Peter told Paul and Paul told somebody else. So far as I am concerned we should only take from Mr. Mathews what he knows and not country gossip or parliamentary gossip. We do not care who it affects; I do not as far as I am concerned, but if Mr. Mathews has some evidence he can testify to himself, of his own knowledge, this committee must have it. If it is simply hearsay or gossip, something he has heard, so far as I am concerned, no matter which way it hits, I would be opposed to having it on the record. That is my view. I think we should stick to asking Mr. Mathews things that he can tell us. All the rumour there is about Mr. Biggs or Mr. McGarry or anybody else, I for one, do not think it is fair, under all the circumstances connected with this matter, that any gossip should go down here as evidence to be reported to any Public Accounts Committee. If that is what Mr. Gordon has in mind that is the view I have taken.

MR. GORDON: You have explained it more fully than I could. My duty is that I merely want a ruling as to what evidence is to be submitted, and that

my client is to give, whether the strict rules of evidence have to be adhered to or whether it is to lapse into what he has heard.

HON. MR. MCCREA: I think in fairness to all parties who might be involved, he should pay attention to what he knows. If he knows anything he has to tell it.

MR. GORDON: Our position is we have not anything to conceal. I merely want a definite ruling as to whether the strict rules of evidence have to be adhered to.

MR. SINCLAIR: He might have knowledge of something from hearing it in the office.

HON. MR. RANEY: Don't you think we might go on and reserve the question until it arises?

MR. SINCLAIR: I would be satisfied any time you want to make an objection we would stop.

HON. MR. MCCREA: Don't you think that the general principle of this—suppose some members here want to ask questions, I do not know what they want to ask, and that may involve other parties and which evidence would be based on rumours or suspicion. As far as I am concerned, I do not like that phase of it. I think men in public life are entitled to have every consideration, and that any rumours which may directly or indirectly connect up with them should not be listened to. If it is mere gossip, gossip about people, what somebody said to so and so, and that somebody else got something for some purpose, I do not think we should hear it. If this witness can give direct testimony, he ought to give it; if it is only rumours, I am thoroughly opposed to that method of involving public men.

MR. SINCLAIR: It might be secondary evidence.

HON. MR. MCCREA: Do you not think the safer rule would be the proper rule of evidence under the circumstances, and to conduct the examination along that line.

MR. SINCLAIR: I have no thought myself of wandering far afield.

MR. HOMUTH: I think in view of what Mr. Sinclair has said that he is no more anxious to hear a lot of idle rumour than we all are. My view is that if Mr. Mathews has some knowledge, some definite knowledge of something, I think he ought to tell it, but the question of: "I heard so and so, he said this and so on."

HON. MR. MCCREA: If he is not able to substantiate himself it should not go in.

MR. HOMUTH: I do not think it should be treated as evidence.

HON. MR. PRICE: I think that is right. We want to be fair to the public men and fair to Mr. Mathews, and at the same time, fair to anyone who may be involved in these things, and I think we had better take firm ground.

THE CHAIRMAN: Presume you start off that way, where are we going to end?

MR. SINCLAIR: The suggestion is if I begin to wander off, he check me up.

HON. MR. MCCREA: We understand the general rule is what this man knows, not rumour or hearsay.

MR. SINCLAIR: That may be his principal knowledge. That should be the first principle anyway. He might know something, but whether he could give direct evidence concerning it is another matter, and it has occurred to me that possibly we should go ahead and discuss any situation as it arises.

THE CHAIRMAN: We will try and follow out the rules of evidence as fully

as possible, and if any particular question arises, Mr. Gordon will resort to his right to advise his client in that contingency.

HON. MR. RANEY: There might be an occasion arise when Mr. Sinclair might feel that a matter he is examining on might lead somewhere as a result of something that has been said to Mr. Mathews. That might not be in accordance with the rules of evidence as laid down, but it might be very important, and unless there is an opportunity to follow the matter through, we may not be able to accomplish very much.

HON. MR. MCCREA: Here is what I want to get at. Is it fair to any man—

HON. MR. RANEY: On general principles you have stated it correctly. At the same time conditions are exceptional. We cannot recall Mr. Mathews, and it may be that he knows something that might lead to something.

MR. HOMUTH: Keep it to itself, and do not put it in the evidence.

HON. MR. MCCREA: I do not care whether it falls on my political side of the fence or on yours, I do not think it is fair to the men, under all the circumstances, to have rumours and idle gossip set out on the record to go back to the Committee.

THE CHAIRMAN: There is one thing I should perhaps mention, and no doubt you have seen it for yourselves: The position I have taken—the newspaper people are here, and I do not think that there was any purpose in permitting them to come in, and my view in connection with this, and unless the Committee overrule it, is that there would be nothing handed out. Our duty is to report it at the first meeting at the General Committee, and so far as I am concerned, they will not get it before. We are a sub-committee and our duties are to report the evidence back to the main Committee. I think we should have an understanding that none of us should give any information.

MR. SINCLAIR: I am perfectly satisfied.

HON. MR. MCCREA: I think our report should go back to the Committee without any comment to the press.

THE CHAIRMAN: I think we should say that unless the committee overrule me. We will take it for granted, we will say nothing to the reporters.

HON. MR. PRICE: We will say nothing to the reporters.

THE CHAIRMAN: It is definitely understood, every member of the committee shall observe the strictest secrecy until the report is handed to the Public Accounts Committee to-morrow morning, and if the evidence is transcribed then we will hand it in.

MR. SINCLAIR: I think the safest way would be that any statement made, must be made by the Chairman.

HON. MR. PRICE: That is right.

MR. SINCLAIR: It is up to him, and we shall also say nothing to the press.

HON. MR. RANEY: The Chairman may see fit to say this or that, but nothing of the evidence.

THE CHAIRMAN: I am not going to tell them anything.

Charles Mathews, sworn. By Mr. Sinclair.

Q.—You were Assistant Provincial Treasurer for Ontario?

A.—Yes, sir.

Q.—When were you appointed?

A.—September, 1921, I think.

Q.—Prior to that date, what was your position?

A.—Clerk and Minister's Secretary.

Q.—How long had you had that?

A.—Since 1st of March, 1905.

Q.—And in 1919, in November, there was a change of Government?

A.—Yes.

Q.—Prior to the 15th November, 1919, for some months, who had been Provincial Treasurer?

A.—Mr. McGarry.

Q.—And subsequent to that date who was Provincial Treasurer?

A.—Mr. Smith.

Q.—You were Clerk and—?

A.—Minister's Secretary.

Q.—Under Mr. McGarry, during the last year of his office, at any rate?

A.—Yes, sir.

Q.—Now do you remember anything about a loan which was put through the Home Bank in September, 1919?

A.—I do, a little.

Q.—What was the first intimation you had of that loan?

A.—Mr. McGarry told me a loan had been arranged, I think with the Home Bank.

Q.—When did he tell you that?

A.—I couldn't place the date definitely; it would be probably the same day or the day after the people that he had made his arrangement with—

Q.—I understand the loan was completed on the 23rd September, I think that is the date?

A.—I couldn't place it definitely.

By HON. MR. PRICE:

I think September 23rd it started, and I believe the money came in on the 29th.

By MR. SINCLAIR:

Q.—It came much later?

By HON. MR. RANEY:

No money came in September.

By MR. SINCLAIR:

No, not until November.

Q.—This particular loan was made up and there was the acceptance on September 23rd, 1919?

A.—I cannot speak definitely as to that, I do not know that.

Q.—Do you remember having anything to do with the writing of the acceptance?

A.—I may have written a letter of instructions from Mr. McGarry, I do not remember.

Q.—Prior to being told by the Minister that this loan was completed, had you any knowledge of it?

A.—I don't think I had, no.

Q.—Following these instructions which you had from Mr. McGarry, what else do you know about the carrying through of this loan?

A.—Well, my recollection of it is that it was arranged with the Home Bank, and I was told about it by Mr. McGarry, but I do not think that the transaction was completed until, if I am not mistaken, until after the Government changed. I may be wrong.

Q.—You are correct on that. From the time, from September 23rd until the Government changed, do you remember taking any part in this matter?

A.—Well, I always had to look after the preparation of the debentures and carry out the numerous details in connection with having everything ready so the bonds could be made out and given out and money taken in.

Q.—Did you see anyone from the Home Bank in connection with this?

A.—My recollection of it is, that Mr. Haney came up to see Mr. McGarry several times prior to my hearing of the loan. Subsequently, I think, the arrangements as to details were made through Mr. Fleming, who was head of the Bond Branch; that is as to size of the bonds and that sort of thing. I used to look after that and probably see that the Orders-in-Council were prepared, probably by Mr. White. I am not sure.

By HON. MR. RANEY:

Q.—Mr. Fleming came to see whom?

A.—I think he came to see me.

By HON. MR. MCCREA:

Q.—To arrange as to the details?

A.—Yes, sir.

By HON. MR. PRICE:

Q.—I think Mr. Fleming says he did come to see you?

A.—Did he? This is six or seven years ago and it is difficult to know things accurately.

Q.—Did you have any conversation with Mr. Haney yourself?

A.—Not as to the loan.

Q.—Or any matter connected with the loan?

A.—I don't think so.

Q.—What did Mr. Fleming do?

A.—He worked out the details.

Q.—Do you remember any circumstances connected with the final details of the loan?

A.—I think some time prior—the money had not come in; it was getting near the time when the change would be made.

By HON. MR. MCCREA:

Q.—Change of what?

A.—Government.

Q.—Was this after the election?

A.—No, not the election. I said to Mr. McGarry, we had not completed the loan. I think there is a letter on file in the Treasury Department from Mr. McGarry asking that the transaction be completed. I am not sure, Colonel Price.

By HON. MR. PRICE:

Q.—There is one on the 10th November?

A.—I think I mentioned the thing had not been put through and he probably overlooked it.

By HON. MR. MCCREA:

Q.—Are you speaking of the time after the election or before they vacated office?

A.—I think so.

By HON. MR. PRICE:

I think so, I think that is correct—10th November is the date.

By HON. MR. MCCREA:

What was the date of the election?

By HON. MR. PRICE:

October 20th.

By HON. MR. MCCREA:

Q.—They vacated office on the 15th and the money did not come in, and you spoke to Mr. McGarry about it?

A.—That is my recollection.

Q.—Do you remember what he did?

A.—I think he wrote a letter and it is on file, and it is to the Home Bank; I cannot say who it would be to.

By MR. SINCLAIR:

Q.—Colonel Mason?

A.—Colonel Mason, the General Manager.

Q.—Did you see anyone else around the office about that time in connection with this matter?

A.—Not unless Colonel Mason was up, I don't think he was though.

Q.—When, for instance, Mr. Haney would come, he would speak to Mr. McGarry in his private office?

A.—Yes.

Q.—You would be in the outside office?

A.—Yes, the same way with Mr. Fleming, unless Mr. Fleming was turned over to me.

Q.—To consider matters?

A.—Yes, that is quite true, sir.

Q.—Did you see anyone else from the Home Bank around there at this time?

A.—Not that I can recall, sir.

Q.—You do not remember anyone else, whether you knew them or not, coming around there about that time?

A.—No, sir, I didn't.

Q.—Do you remember an occasion there, Mr. Mathews, on which two men came into the office and interviewed Mr. McGarry, and afterwards you took care of Mr. McGarry?

By HON. MR. MCCREA:

Two men from where?

MR. SINCLAIR: From the city somewhere.

HON. MR. MCCREA: In connection with this Home Bank?

MR. SINCLAIR: I understand so, yes.

WITNESS: I really do not recall anybody, sir, I may have overlooked it.

By MR. SINCLAIR:

Q.—You do not remember any occasion on which anything unusual happened in Mr. McGarry's private office after their had been some guests there?

HON. MR. MCCREA: Are you referring to evidence as between the Home Bank and Mr. McGarry?

MR. SINCLAIR: That is what I understand, yes.

WITNESS: If there was I have forgotten it. I do not recall anybody being there. Is there anything, any incident that happened that would enable me to fix—

MR. SINCLAIR: I do not want to ask too leading questions.

HON. MR. PRICE: I think Mr. Mathews has been very fair.

WITNESS: There were two doors; there was a door through the office in which I was in, and Mr. McGarry's private door. It was quite possible these people may have gone through the private door, in which case I would not notice them.

By MR. SINCLAIR:

Q.—Have you any personal knowledge of any money coming to Mr. McGarry, yourself?

A.—No, sir.

Q.—Have you heard from any person that money came to Mr. McGarry?

THE CHAIRMAN: That is a question—

HON. MR. MCCREA: From where?

MR. SINCLAIR: From the Home Bank.

HON. MR. MCCREA: Before he answers let us discuss that. I say that we should, on behalf of the people of the Province of Ontario, get from this witness everything he has knowledge of himself as the Secretary of the Minister in connection with the discharge of the duties imposed upon the Minister, and that we should not in fairness to men in public life, whoever they are, ask this witness what rumours he had heard, what somebody else told him, whether he is not able of himself to give the direct evidence, and feeling that way, I am going to move that that be the rule adopted by this Committee.

MR. SINCLAIR: I wish to press the question, whether he answers me or not.

THE CHAIRMAN: We may never reach the stage, because Mr. Gordon indicates that he is going to perhaps exercise his rights.

MR. GORDON: As I stated, supposing my client does implicate somebody else, supposing he mentions somebody's name who gave him certain information about somebody else, I have made my position clear that this man is not protected. Am I going to allow this man—

By HON. MR. MCCREA:

Q.—Did anybody tell you that he had knowledge that Mr. McGarry got money from the Home Bank?

A.—No, sir.

HON. MR. MCCREA: That is just the answer to the question and shows the fairness of the position I am taking, that this is simply leading to idle gossip, which is unfair to men in public life.

By MR. SINCLAIR:

Q.—What was the money in connection with which you heard about?

HON. MR. MCCREA: On that point I would say this, if it is in connection with this matter we are inquiring about—

HON. MR. RANEY: I am going to ask—we will never get anywhere here at all at this rate of progress, and I am going to ask that everything go into the record now, and we can—everybody will take their chance on his own responsibility for these things and we can discuss them afterwards. We can discuss the matter after we get the story.

HON. MR. MCCREA: You had better put that in amendment to my main motion.

THE CHAIRMAN: Do I understand your contention is that the question should be answered.

MR. HOMUTH: Everything he said.

THE CHAIRMAN: I gave Mr. Drury the benefit of the ruling the other day that we would not go into private matters.

HON. MR. RANEY: It is quite evident we will not get anywhere with the progress we are making.

THE CHAIRMAN: Do I understand your contention correctly that everything should be taken down?

HON. MR. RANEY: Some specific thing may arise which should not be taken down.

MR. SINCLAIR: We should have a record of the questions, and if they are objected to and not allowed to be answered that will not go in.

HON. MR. MCCREA: I raised this whole issue after the objection taken, when the point was raised by Mr. Gordon, counsel for Mr. Mathews, and I still adhere to the principle I enunciated then, that this witness should tell everything he has knowledge of himself in connection with his duties as Secretary and with reference to the duties of the Minister; that in fairness to public men mere gossip, rumour, and hearsay should not be admitted, and should not go down on the record, and I make the motion to the committee as a line of conduct and guidance in the conduct of the evidence of this committee to-day.

THE CHAIRMAN: Is it better to make a general rule or had not we better make objection to the questions?

HON. MR. RANEY: I do not know of any authority which as a sub-committee we can entertain questions of that kind.

MR. SINCLAIR: If I ask a question myself, which is not right, they could object. If I do not get an answer I do not get it. I think that is the general practice.

HON. MR. MCCREA: I am still of opinion, and I do not know what this witness is going to say, that there should be a general rule so that when an objection is taken it can be known it is in accordance with the general rule we have laid down.

MR. SINCLAIR: The general rule is the general law of evidence, and I am trying to confine myself to the law of evidence.

THE CHAIRMAN: We agreed on that in the opening.

HON. MR. PRICE: I think Mr. Sinclair is quite fair.

HON. MR. MCCREA: All I want is fairness.

MR. HOMUTH: Of course, Mr. Mathews, through his counsel, has the privilege of refusing to answer questions at any time. He has the privilege of saying that what he has heard is only a rumour, and what went on on different occasions, and rumours he heard, here and there, and all over, and a thing might be said where some man has suspicion cast upon him with absolutely no grounds whatever. I do not think this committee desires to do that. I do not think this committee wants any suspicion cast on any man where there are no valid grounds. Personally I do not like any man to have suspicion cast on him when there is no ground for it. I think we should be careful in the questions we ask, and Mr. Mathews of course, through his counsel, can say he will not answer the question, or his counsel can take objection.

HON. MR. PRICE: I think I agree with Mr. Homuth.

THE CHAIRMAN: At the beginning we had an understanding we would follow the rules of evidence in the peculiar circumstances here, and I fancy if Mr. Sinclair tries to keep his questions within it, we need not admit evidence before it comes about.

MR. SINCLAIR: It should be apparent I am trying to keep to the rules of evidence.

HON. MR. RANEY: I thought Mr. Sinclair had been refraining from asking questions which were not proper.

By MR. SINCLAIR:

Q.—Were you told from whence this money came?

A.—No.

Q.—So that you have no knowledge of the source of the money that has been referred to?

A.—No, sir.

Q.—You were told this by a member of the Civil Service?

A.—I cannot say he was a member of the Civil Service.

Q.—Was he in the employ of the Government?

A.—He was the Government, part of the Government.

Q.—What part do you mean, who was telling you?

MR. GORDON: Just a moment before you answer that. As I stated my position at the beginning of this inquiry the evidence which my client is giving may be used against him. What is the position of my client he if states a rumour which was handed to him by somebody in the Parliament Buildings? What action can that man take against my client if he considers that statement to be defamatory?

MR. SINCLAIR: Mathews is giving evidence.

THE CHAIRMAN: The committee cannot undertake to act as counsel. You are here in the position; you will have to take the responsibility.

MR. GORDON: My position is this: My advice would be not to divulge to the committee the name of the man who gave the information. He has stated he has no information to give to the committee as to where it came from, and he was not stating it came from the Home Bank.

HON. MR. PRICE: He does not state he does not know.

MR. GORDON: He further stated he did not see money.

THE CHAIRMAN: He says of his own knowledge—he has no information, but he heard some statement from somebody which did not suggest it came from the Home Bank. Do I understand you advise him not to answer?

MR. GORDON: Not to divulge the name of the party who told him.

By THE CHAIRMAN:

Q.—On the advice of counsel, you decline to answer the question?

A.—Yes.

MR. SINCLAIR: I suggest there is no criminal liability.

MR. GORDON: Suppose it is only a civil action.

HON. MR. RANEY: A witness is entirely protected in telling the truth.

HON. MR. MCCREA: Do you think, coming back to the rules of evidence, where the witness has stated to this committee: I saw no money; I know of no money that came to Mr. McGarry, if any came from the Home Bank. Nobody told me any money came to Mr. McGarry from the Home Bank. He takes that position, and is it within the rules of evidence, assuming the witness says that—

MR. SINCLAIR: I submit, Mr. Chairman, it is not the rules of the Public Accounts; there is a principle well laid down that we should find out who this party is.

THE CHAIRMAN: The point at present is, we are up against the situation that Mr. Gordon has advised his client not to answer it, and I put the question to Mathews and he declines on the advice of counsel, and all we can do is report that to the Committee.

MR. SINCLAIR: Counsel has no right to advise any man not to answer anything except it is going to incriminate him.

HON. MR. RANEY: The witness cannot pledge his oath if the answer is going to incriminate him. That is where the question of a witness claiming protection comes up.

THE CHAIRMAN: This situation having arisen our only duty is to report the fact to the House.

MR. SINCLAIR: It is also indicated he is a member of the Government.

HON. MR. MCCREA: No, he is not.

MR. SINCLAIR: I understand he said he was the Government.

HON. MR. MCCREA: When was this he is referring to, what month?

MR. SINCLAIR: If we cannot ask questions we cannot get him examined.

By HON. MR. MCCREA:

Q.—Was it 1919?

A.—Am I to answer that question?

THE CHAIRMAN: Yes.

WITNESS: To the best of my recollection it was 1919.

HON. MR. MCCREA: So it is not a member of this Government, when he speaks of the Government, at all?

HON. MR. RANEY: Ask him the question, ask him what month.

HON. MR. MCCREA: He said 1919.

HON. MR. RANEY: 1919 covers a large period.

HON. MR. MCCREA: That is the date we are investigating.

By HON. MR. RANEY:

Q.—Was it before or after the change of Government?

A.—To the best of my recollection, before.

HON. MR. MCCREA: It was not this Government at all?

MR. SINCLAIR: No, that is not what we have been investigating at all. There has been evidence that there were certain commissions paid both prior to going out of office of the Hearst Government and subsequent to the coming into office of the Drury Government. He says here is a transaction of 1919 before the Hearst Government went out of power.

HON. MR. MCCREA: He has already stated that any reference that was made was not made with reference to any money concerning the Treasurer and the Home Bank.

MR. SINCLAIR: I do not know that he goes that far.

HON. MR. RANEY: It has come down to this: It is going to the question as to whether we are going to pursue McGarry, and members of the Government who are here are to take their responsibility.

HON. MR. MCCREA: I am quite prepared to take my responsibility as regards hearsay evidence and rumours of that character that the evidence should not be on the record. I am quite prepared to take that responsibility. The witness says he does not know, and that discussion he heard does not refer to the Home Bank and Mr. McGarry at all.

MR. SINCLAIR: Then do I understand that any further questions along this line will be objected to by Mr. Mathews' counsel?

MR. GORDON: Not necessarily. What I stated is this: That the question that was asked seems to be irrelevant, that is as to who told him about this money, when it is pure gossip, and as the general rules of evidence are to pertain, on these grounds I advised him not to divulge the name of the party.

By MR. SINCLAIR:

Q.—What was the position held by the party?

THE CHAIRMAN: Let us make this clear. I think it is convenient for Mr. Sinclair to go on asking questions, but first he has to see if any member objects, and whether Mr. Gordon takes any stand—if you ask questions, Mr. Mathews will hesitate for a moment and we will find out whether it is satisfactory. I am not making any objection.

By MR. SINCLAIR:

Q.—The question I was asking was: What was the position of the party who told you about these circumstances?

HON. MR. MCCREA: In view of what Mr. Mathews has said that he has no knowledge of Mr. McGarry getting any money from the Home Bank, that whatever this party said to him, it did not involve a statement that Mr. McGarry had got any money from the Home Bank, and that whoever the person is, it is away beyond the rules of evidence to get such an answer, which can be only a rumour or hearsay and is not evidence that this committee should put down on the record. That is the position I take.

MR. SINCLAIR: We came down here with the idea of putting an end to suspicions that were referred to in the Public Accounts Committee. The only result of the examination so far is to increase the suspicion.

HON. MR. MCCREA: In answer to that, the suspicion you refer to is a suspicion that money was paid to Mr. McGarry by the Home Bank. The witness says he has no knowledge of any money being paid to Mr. McGarry or never heard of it; that the information you are trying to elicit from the witness does not state that it was to the effect that any money had been paid by the Home Bank to Mr. McGarry, so it is quite clear from the witness that he has no knowledge; nor did anybody in the service state to him that the money had been paid by the Home Bank or anybody on behalf of the Home Bank. And having made that quite clear I say in fairness to this committee, that this committee has a duty as to public men that any idle rumours he heard of Mr. McGarry having money has nothing whatever to do with this issue.

MR. SINCLAIR: I do not think he goes so far as to say no one on behalf of the Home Bank, he says it was not by the Home Bank.

By HON. MR. MCCREA:

Q.—Does he know that anybody from the Home Bank or on behalf of the Home Bank gave any money to Mr. McGarry?

A.—No, sir.

MR. SINCLAIR: I cannot ask any questions about other things. It just deepens the mystery. I want to ask some questions on another matter.

By MR. SINCLAIR:

Q.—At the time of the going out of office of the Hearst Government and the coming into power of the Drury Government, did you have anything to do with making arrangements for Mr. McGarry to see Mr. Smith, or Mr. Smith to see Mr. McGarry?

A.—Yes, sir.

Q.—What arrangements did you make?

A.—After the election, at least after the new Government took hold, I received a telephone message from Mr. McGarry asking me to see him.

By HON. MR. MCCREA:

Q.—Where was he?

A.—I have been thinking that over, trying to think of the place. It was in an hotel downtown, I am not sure whether it was the Queen's or the Prince George or King Edward—either one of the three.

Q.—It was in Toronto?

A.—Yes.

By HON. MR. PRICE:

Q.—Mr. McGarry says he gave Mr. Smith a dinner in the King Edward?

A.—Yes.

HON. MR. RANEY: Suppose we let Mr. Mathews tell his story.

WITNESS: I went down to see him. He told me that he would like to mention to Mr. Smith that if he had remained in office he had intended going ahead making arrangements to purchase succession duty free certificates, that

Mr. Smith might make a name for himself by going ahead and doing so, that he had intended doing it if he had remained, but pressure of other business prevented him from taking the matter up. I suggested to him possibly he should see Mr. Smith; he said, "Yes, all right, go ahead," and he made arrangements through me to meet Mr. Smith, and did so, so Mr. Smith told me afterwards, and had dinner with him at the King Edward.

By MR. PRICE:

Q.—You were not present?

A.—No, sir.

Q.—You had instructions to make arrangements for the interview?

A.—I think it was my suggestion the interview should be held; he could see Mr. Smith personally and tell him these things.

Q.—You were not present at the interview?

A.—I know nothing of it, sir.

By HON. MR. RANEY:

Q.—Did you know the price of the Home Bank loan?

A.—To the best of my recollection—it is six years ago—I think it was somewhere around 94.47; that seems to stick in my mind.

Q.—That is a pretty good guess, 94.48. Did you know anything or hear anything of the suggestion that the Bank's profits should not exceed $1\frac{1}{4}$ per cent.?

A.—I know nothing of the arrangements made between Mr. McGarry or the bank.

Q.—Never heard of them?

A.—No.

Q.—Neither from Mr. McGarry or Mr. Smith?

A.—No.

Q.—Do you remember when you first saw the letter of acceptance—I mean the Home Bank letter and Mr. McGarry's acceptance?

A.—Mr. McGarry's usual practice, when he had a transaction negotiated, was to hand me the letter and tell me about the bonds and what reply to make, accepting it for him.

Q.—Do you remember this particular letter?

A.—No, I cannot say I remember the letter; it was his usual practice; he would hand me the letter and tell me in a few words what reply to make.

Q.—You cannot say whether the practice was followed in this case?

A.—No, the books will show.

Q.—Do you remember after Mr. Smith came into office his asking you for the Home Bank file of the loan?

A.—I think he did. My recollection is that was one of the first matters taken up with him.

Q.—Do you recall there was not any file, and you told him so?

A.—I thought there was a file.

Q.—Do you recall learning Mr. McGarry had, through inadvertence, taken away this letter and answer when he left office?

A.—I think I recall something, I do not recall definitely.

Q.—Do you recall him sending them back after to Mr. Smith?

A.—Now you mention it, I do recall a letter coming back.

Q.—From Mr. McGarry after Mr. Smith came into office?

A.—I think so.

Q.—Covering the offer and acceptance?

A.—Now you refer to it there was something of the kind.

Q.—So he took them away by inadvertence?

A.—Yes.

Q.—Did you have any conversation with Mr. McGarry about that?

A.—No.

Q.—Was that before or after he sent for you to come and see him?

A.—I could not place that.

Q.—Do you remember when Mr. Smith took over you had to tell him there wasn't any file; Mr. Smith asked for the file?

A.—I do not remember that.

Q.—Would there be a file?

A.—There might be a file with recommendations, and Order-in-Council.

Q.—Nothing more than that, the contract was not there?

A.—I cannot really speak definitely; I remember something of some letter being returned by Mr. McGarry.

By HON. MR. PRICE:

Q.—I would like to call Mr. Raney's attention that Mr. Mathews did give evidence on this loan, and I think the evidence shows that he carried out the deals when he was handed the letters at the beginning.

A.—Not on this particular loan. I don't think I said anything about this loan last year.

By HON. MR. PRICE:

Q.—Maybe I am in error?

A.—Yes.

By MR. RANEY:

Q.—You were speaking about the practice in the office?

A.—Yes, sir.

Q.—If a contract were made by the Treasurer with a firm of brokers or a bank, the contract would be handed to you and the Treasurer would say to you: "Mr. Mathews put through the details of the loan"?

A.—Yes.

Q.—The details would be the Order-in-Council, and so and so?

A.—Yes.

Q.—The forms of the debentures and so forth?

A.—Yes.

Q.—Did you see Mr. McGarry with regard to this matter more than once after he left? Did you have more than one conversation with him after he left office?

A.—Not that I recall, sir.

Q.—Did you have any conversation with him about this Home Bank loan after he left office?

A.—No, sir; but I think I did before.

Q.—When was that?

A.—I couldn't place it definitely; it had to do with the completion of the transaction, and I called it to his attention.

Q.—That is what you referred to in chief?

A.—Yes, I referred to the transaction not having been completed, the bond completed and the money paid in.

Q.—After the election?

A.—Just before he left office.

Q.—You wrote a letter to the Home Bank?

A.—I think he dictated it himself; the file will show whether the letter is there or not.

Q.—Were you in touch with anything that transpired between Mr. McGarry and the Home Bank and Mr. Mason, between 23rd September, when the contract was made, and the election?

A.—Not that I recall, sir.

Q.—Do you know anything of the efforts the Home Bank were making to sell the loan?

A.—I heard that they had not been able to float the loan, that it was subsequently sold to another firm of brokers.

Q.—What was that firm?

A.—I couldn't say definitely. I do not recall the name of the firm.

Q.—Were you told what the denominations of the bills were that were in this cigar box?

HON. MR. MCCREA: What cigar box?

HON. MR. RANEY: The cigar box he says he has heard about.

WITNESS: No, sir, I was not.

By MR. RANEY:

Q.—Did you see any thousand-dollar bills about that time?

A.—I never saw any bills; the only bills I have seen of Mr. McGarry are those he sometimes would leave around when he dumps his pockets out.

Q.—Did you hear of any purchase of bonds about that time?

A.—By whom, sir?

Q.—By anybody in the Treasury Department?

A.—No, sir.

Q.—From any broker's office downtown?

A.—No, sir. You do not specify any person.

Q.—I am making it wide open?

A.—No, sir, I have no knowledge of anybody buying any bonds whatever.

Q.—Did you hear of any purchase of any bonds made by anybody?

A.—No, sir, I did not.

Q.—Who was it who told you about the cigar box with money in it?

HON. MR. MCCREA: I object.

MR. GORDON: That is the very question I objected to and advised my client not to answer.

By THE CHAIRMAN:

Q.—You decline to answer?

A.—Yes.

By HON. MR. RANEY:

Q.—What is your reason, Mr. Mathews?

MR. GORDON: I advise him not to; it appears to be irrelevant. My client has given information to you with respect to what was told him, and even goes so far as to say he never at any time heard of McGarry receiving money from the Home Bank. He goes further and says he never saw any money. If the rules of evidence are to be carried out—

HON. MR. RANEY: You said he was asked who told him.

THE CHAIRMAN: That is already down.

HON. MR. RANEY: That was down half an hour ago. I asked you what member of the Government—

MR. GORDON: I have told him not to answer.

By THE CHAIRMAN:

Q.—You decline to answer, Mr. Mathews?

A.—Yes.

HON. MR. RANEY: I ask the Chairman's ruling. I asked what member of the Government told you about the cigar box containing money.

THE CHAIRMAN: You must be aware I have no control over Mr. Gordon or the witness.

HON. MR. RANEY: I ask the Chairman's ruling.

THE CHAIRMAN: All I can say is the witness declines to answer on the advice of counsel.

HON. MR. RANEY: The Chairman can rule whether the question ought to be answered.

THE CHAIRMAN: The Chairman does not rule on any hypothetical question.

MR. GORDON: As solicitor I will not allow my client to give evidence under oath which has been hearsay.

HON. MR. RANEY: You are not in control of this committee. I ask Mr. Chairman to rule.

THE CHAIRMAN: You know that is done for political effect, once the witness says he has declined to answer on the advice of counsel.

HON. MR. RANEY: I ask you to rule, and if you rule against me I will appeal.

THE CHAIRMAN: I am not ruling, and there is nothing to appeal from.

HON. MR. RANEY: I will ask a vote of the committee.

THE CHAIRMAN: Mr. Smith came up and declined to answer any questions on the advice of counsel, and his counsel were there and advised him.

HON. MR. RANEY: I am not anxious; you are a lawyer and know the result of your ruling. I ask for a ruling and you decline to make it.

MR. SINCLAIR: The situation of Mr. Smith is so different from this witness, and it cannot be compared. Smith was charged with a criminal offence, and Mathews is giving a statement in which no criminal action would be taken against him.

THE CHAIRMAN: I have put the question to Mr. Mathews' counsel. The privilege, onus and responsibility is his. I am not concerned with what Mr. Gordon says, but Mr. Mathews says he declines to answer the question on the advice of counsel. That is the end of the situation as I see.

HON. MR. RANEY: Mr. Mathews has said he was informed by a member of the Government something about a box of money, and I asked him who it was who told him, and on that basis I cannot understand that with the approval apparently of the chairman—

THE CHAIRMAN: What?

HON. MR. RANEY: Yes.

THE CHAIRMAN: I had nothing to do with it.

HON. MR. RANEY: He is advised not to answer.

THE CHAIRMAN: I will rule on anything necessary and proper, and Mr. Gordon and Mr. Mathews have taken a stand, and you suggest it was with my approval. It is absolutely without my knowing about it.

HON. MR. RANEY: All right, I accept your statement. I ask the committee to rule whether this question may be answered. I ask the chairman to put the question.

THE CHAIRMAN: There is no question to be put.

HON. MR. RANEY: I am moving that the committee be asked to rule, the chairman declining to rule, whether the question should be answered. My motion is a motion asking for a ruling.

THE CHAIRMAN: Put it positive that the committee be asked to rule.

HON. MR. RANEY: That the committee be asked to rule whether this question should be answered.

THE CHAIRMAN: Make it intelligible, so the committee knows what the question is. You are asking that the committee be asked to rule—make an intelligent motion and I will put it.

MR. HOMUTH: Are we placing ourselves in this position, the position of members of a committee saying that a man must answer questions which he refuses to answer on the advice of his solicitor?

THE CHAIRMAN: Mr. Raney wants to get something.

MR. HOMUTH: He has been asked a question and he refuses to answer on the advice of his solicitor, and we cannot force him to answer. It is his own business as to whether he does answer, and any motion we make is not going to change his mind.

HON. MR. RANEY: That does not vary the motion. I put it this way, the committee is of the opinion the question ought to be answered.

HON. MR. PRICE: Mr. Chairman, the other day when we discussed this thing in the Public Accounts Committee, and we all agreed we had better come here rather than bring the witnesses to Toronto, I think it was distinctly understood counsel were to come along so they could advise their clients, and that being so, it was understood by the Public Accounts Committee, and I do not see how we can hardly put ourselves against what counsel advises.

HON. MR. RANEY: There is my motion.

HON. MR. MCCREA: What is it?

HON. MR. RANEY: My motion is that in the opinion of this committee the question ought to be answered.

MR. HOMUTH: I was not in the Public Accounts Committee the other day when this matter was discussed, and when privilege was granted for counsel for the two witnesses. What were the instructions or what was the understanding with respect to counsel for the witnesses?

THE CHAIRMAN: It was stated in the Committee—we discussed first, the suggestion of whether they should be examined here or in Toronto, and it was decided that the examination should be here. That was settled, and someone said they should have the benefit of counsel for the purpose of being advised by their counsel. It was agreed unanimously by the Committee that both Mathews and Smith should have the benefit of counsel before examination, and their advice during examination.

HON. MR. PRICE: Counsel are the witnesses own counsel, and not appointed by the Public Accounts Committee.

THE CHAIRMAN: I was instructed by the Committee to find out what counsel had represented these two men at their trial, and the Committee authorized their coming for this purpose.

HON. MR. RANEY: Will you please put my motion?

MR. OKE: I would like to ask a question, if you are going to put this motion—I am not a lawyer as you all know. I understand it is in the evidence already that Mr. Mathews has said that a member of the Government divulged this information to him, is that correct, and has it been taken down?

HON. MR. RANEY: Yes, that is in the evidence.

MR. OKE: Is there any law, Mr. Mathews having divulged that, is there any law to make him answer the question?

THE CHAIRMAN: We are a sub-committee and as a sub-committee should report to the general committee.

MR. OKE: I am asking as regards whether or not we can take any steps towards having the witness answer.

THE CHAIRMAN: Our only recourse is to report the fact to the House, and the House can take such action as they think necessary. The Legislature is a court, and we as a committee cannot do anything.

MR. GORDON: The law is very clear: a witness cannot give hearsay evidence, and that is what the committee wants my client to do, and that is what I have advised him not to do.

MR. OKE: To my mind it has gone a little more than hearsay; he is being asked who is the man, the name of the man who gave him this information.

HON. MR. MCCREA: What information?

MR. OKE: That certain money had been left in Mr. McGarry's room by this unknown person.

HON. MR. MCCREA: There is no evidence to that effect; the witness has not stated anything of the kind.

MR. OKE: I understand it is in evidence that some member of some government told him or gave him reason to believe there was money left.

HON. MR. MCCREA: No such statement in the evidence.

MR. HOMUTH: Am I correct in stating this: What the witness says is that he had heard a rumour to the effect that there was a cigar box with money in?

MR. GORDON: Which in itself is not admissible, and now the committee wants my client to go a step further and tell the committee from whom he received the information.

HON. MR. RANEY: I will be satisfied as soon as we get a ruling.

HON. MR. MCCREA: The witness made it clear; he made no statement to the effect that any money came from the Home Bank either directly or indirectly, or from anybody having anything to do with the Home Bank.

HON. MR. RANEY: The motion is this: the committee is of the opinion that this question ought to be answered.

MR. SINCLAIR: I will second it.

THE CHAIRMAN: The motion is a motion by Mr. Raney, seconded by Mr. Sinclair, that the committee is of opinion this question should be answered.

HON. MR. MCCREA: I am opposed to the motion. It is unfair.

THE CHAIRMAN: Those in favour: (Mr. Raney and Mr. Sinclair).

Those opposed: (Mr. Price, Mr. Oke, Mr. Homuth and Mr. McCrea.)

HON. MR. RANEY: What he has said is that he was told there was money in the cigar box, and the inference was—

THE CHAIRMAN: Never mind reasons or inferences.

By MR. RANEY:

Q.—How much money were you told was in this cigar box?

A.—I was not told definitely.

Q.—What were you told—

MR. GORDON: Let him answer that.

WITNESS: It was some thousands.

By MR. RANEY:

Q.—How many thousands?

A.—I cannot recall the number.

Q.—Was it ten thousand?

A.—No, it was not.

Q.—What were the denominations?

A.—I did not see.

Q.—You were told there were some thousands of dollars?

By HON. MR. MCCREA:

Q.—Were you or were you not told how much was in the box?

A.—No.

By HON. MR. RANEY:

Q.—What were you told?

A.—That it was a sum of money larger than would be accustomed to be lying around Mr. McGarry's room.

Q.—Amounting to thousands of dollars?

A.—It was a large sum, but no definite sum was mentioned.

Q.—Left by these two men?

A.—No, I don't know that it was left by anyone. I do not know that anybody left it there, I only heard of it being there.

Q.—What was the explanation given to you?

A.—I was asked: What to hell he was doing with it.

Q.—That was not exactly an explanation?

A.—I knew nothing of it.

Q.—Can you remember the date?

A.—No, not definitely.

Q.—About the time of the Home Bank loan?

A.—I wish to be fair, I think it was; I am not positive.

By MR. SINCLAIR:

Q.—It was a very unusual thing to have money like that loose in the office?

A.—I never saw it, sir.

THE CHAIRMAN: You mean you never saw money?

By MR. SINCLAIR:

Q.—Was it an unusual thing to have money lying loose in the Treasurer's office; is it customary in the Provincial Treasurer's office to have large sums of money lying around loose?

A.—No, by no means.

Q.—Did you have any conversation with Mr. Smith about bank loans—

By HON. MR. MCCREA:

Q.—You do not know where the money came from?

A.—No, sir.

Q.—You never saw it?

A.—No, sir.

Q.—Whoever the party was, he spoke to you about it?

A.—Yes.

By HON. MR. RANEY:

Q.—He had seen the money?

A.—He wanted to know what it was doing there.

Q.—Did you have any conversation with Mr. Smith about the loan?

A.—About cleaning up the loan.

Q.—Did you tell him about this cigar box?

A.—No, I didn't sir, no.

Q.—Did you have any conversation with him about the amount of profit the Home Bank were making on the loan?

A.—I didn't know what profit they were making.

Q.—You did know of it early in Mr. Smith's term of office?

A.—I cannot say that I did know.

Q.—Did you have any conversation with Mr. Smith as to the regularity or the irregularity of the Home Bank loan?

A.—The only thing I can recall is it had dropped considerably.

Q.—Was there any conversation between you and Mr. Smith as to this matter being one that had to be looked into? Did he suggest that to you?

A.—He may have, I cannot recall.

Q.—Or you to him?

A.—Possibly, I cannot say.

Q.—Do you think the transaction was an extraordinary one?

A.—After the deal was completed and I had heard the Bank had made \$80,000—that is just hearsay.

Q.—After it was completed?

A.—Yes.

Q.—That it had been sold?

A.—Yes.

Q.—Did you know the Home Bank attempted to sell the loan in Chicago?

A.—I had heard so, yes.

Q.—Did you have any conversation with Mr. McGarry at the time you spoke of about the Home Bank matter?

A.—No, sir, not that I can recall.

Q.—When you went down to see him?

A.—No.

Q.—Did you see him more than once in the early days of the Drury Government?

A.—When do you mean; when the new government was in office?

Q.—Yes.

A.—I saw him only once.

Q.—You had dinner somewhere?

A.—I arranged for Mr. Smith.

Q.—You met him downtown?

A.—Yes, at one time.

Q.—What was the subject of discussion?

A.—In connection with the succession duty bonds.

Q.—Anything else?

A.—Not that I can recall at the present time.

Q.—He sent for you to say he thought there should be a purchase of succession duty free bonds, to convey that information to Mr. Smith?

A.—Yes.

Q.—You do not recall the Home Bank matter being mentioned?

A.—Not at all.

Q.—Or at any other time after the Drury Government came into office?

A.—No, sir—to the best of my knowledge, no.

Q.—Did you hear from any other person besides the person you have already referred to—did you hear from any other person concerning the money coming from the Treasury Department?

HON. MR. MCCREA: That is the same question.

HON. MR. RANEY: I am asking whether he heard. That is not hearsay when I say from whom did you hear.

HON. MR. MCCREA: Did you hear—

THE CHAIRMAN: He has said no.

WITNESS: What is the question, sir?

HON. MR. RANEY: Did you hear from any other person other than the person to whom you have already referred and whose name has not been given to you that this money or any other money came to the Treasury Department?

A.—No, sir.

By MR. MCCREA:

Q.—In the conversation you had with Mr. McGarry about succession duty loans—you were Mr. McGarry's secretary in 1917 and 1916 when the Act was put on the Statute?

A.—Yes.

Q.—It was put on the Statute books for the purpose of taking up these English loans at the request of the British financial institutions.?

A.—So far as I recall the idea of buying all our securities in the Old Country had been presented to the officials over there and they were not the first to get the idea at all. They, however, agreed with the proposition.

Q.—This Act having been on the Statute books for two years or more, he never took any steps to buy while he was there?

A.—He did go into the matter and had a memorandum prepared for him or which was presented by someone; it is on file in the office.

Q.—He never bought any bonds?

A.—No.

Q.—Was he discussing it generally when he mentioned it to Smith, or why did he refer to these Home Bank bonds or to these succession duty bonds?

A.—Why?

Q.—Just a general statement that he had never done it before?

A.—It was a general statement.

Q.—At that time if he had remained in power he intended to go ahead and make arrangements for the purchase of these securities?

A.—Yes, and he suggested it would be a good thing, and Mr. Smith would make quite a name for himself.

Q.—It would depend on rate and interest?

A.—At that time, if I am not mistaken, exchange was down around 3.70, and they could save a lot of money in buying at the low rate.

Q.—Just one other question. There was a time as I understand between the time the loan was negotiated and the loan was finally sold that the Home Bank could not sell the loan even at the price they had paid from the Government?

A.—I have no knowledge of what they could do.

Q.—You know they tried in Chicago and New York?

A.—I know a little about that. It was unusual.

By HON. MR. PRICE:

Q.—When you say you heard, was it from the Home Bank?

A.—No, general news, general gossip among brokers.

By MR. OKE:

Q.—Is there anything else in connection with Government business that you had to do with that you would like to give to this committee that you have not been asked?

A.—No, sir, I cannot think of anything. If you ask me questions, I will answer to the best of my ability.

Q.—There is nothing of your own free will and accord you would like to give to the committee you have not been asked?

MR. GORDON: Mr. Oke means have you any information which you could give to the committee—possibly of interest to yourself?

A.—No.

By the CHAIRMAN:

Q.—If you have any information to assist the committee—you know the purpose of it?

A.—No, there is not anything.

By HON. MR. RANEY:

Q.—Does Mr. Mathews know what the subject of the inquiry is?

A.—No, I don't know anything about it.

Q.—I think if it is put in that way—

THE CHAIRMAN: I will read the resolution.

(Reads resolution).

By HON. MR. RANEY:

Q.—Any commissions or moneys paid by the Home Bank in connection with the loans we have been talking about, this \$4,000,000 loan?

A.—To the best of my knowledge I know nothing else that would be of assistance to you.

EXAMINATION OF PETER SMITH:

Counsel—T. H. LENNOX, K.C.

PETER SMITH, sworn.

By MR. SINCLAIR:

Q.—You were Provincial Treasurer, Mr. Smith, and took office on November 15th, 1919?

A.—I believe that is the date.

Q.—And at the time that you took office there was a loan by the Government coming through from the Home Bank for \$4,000,000?

A.—The proceeds were coming in.

Q.—The negotiations for this loan had been made by the previous Government under Mr. McGarry as Treasurer?

A.—Yes.

Q.—And when you took office you completed the collecting or the getting in of the money?

A.—Yes.

Q.—And what was the first knowledge after taking office that you had of this loan?

A.—Well, shortly after we had taken office and were going through the files of the Department, looking through the different files, I found there was no file there in connection with this loan.

Q.—No file of any kind?

A.—No file of any kind.

Q.—Did you have information in the office that this loan had not been completed?

A.—It was completed.

Q.—You had not got the money?

A.—We had not got all the money.

Q.—Who did you get the information from in the absence of the file?

A.—From someone in the office.

Q.—Whom?

A.—Mathews, I presume.

Q.—Mathews was Assistant Treasurer?

A.—Yes.

Q.—When you took office Mathews was secretary to the Minister?

A.—Yes.

Q.—In connection with closing this up, did you have any dealings with the Home Bank?

A.—No.

Q.—You had no dealings at all with them?

A.—No.

Q.—Did you see anybody from the Home Bank?

A.—No.

Q.—Did anybody from the Home Bank see you?

A.—No.

Q.—And did you go down to the Home Bank at all in connection with this?

A.—No.

Q.—And nobody came up from the Home Bank to see you?

A.—No.

Q.—Now there has been evidence given before the Committee that there was a payment of \$15,000, part of the commissions which went to you—that is a fact, isn't it, that you received \$15,000?

A.—Well, I have been tried for that.

Q.—You pleaded guilty?

A.—Yes, I do not think I am on trial this morning.

Q.—We are simply getting the facts in connection with that. What I am going to ask you is, on what occasion and at what place did you receive this \$15,000?

A.—I might say to the committee I never received \$15,000, never heard at all of it till a year ago.

Q.—You never received it?

A.—No.

Q.—Do you know who did receive it?

A.—No, don't know whether anybody did receive it.

Q.—You pleaded guilty to the receipt of \$15,000 which you now say you never got?

A.—Yes.

MR. LENNOX: At the time he pleaded guilty it was explained to the court that he did not want to go to the expense of another trial, that he had at that time been sentenced to three years, and we put it as plainly as we could, not because he took it, but it would have been very expensive, and we were in expectation that his sentence would not be increased, which was the result.

By MR. SINCLAIR:

Q.—It is a marvellous explanation if a man never received \$15,000 to plead guilty to taking it.

A.—You will probably understand if your situation was like mine. I had been through a trial and was sentenced to three years, plus a fine of \$600,000, and I have spent a lot of money on the whole affair, and when the second trial was going to come off, I figured I have a wife and family to think of.

Q.—Were you ever offered the \$15,000?

A.—I was.

Q.—Where?

A.—In my office.

Q.—At the Parliament Buildings?

A.—Yes.

Q.—Who offered it to you?

A.—Colonel Mason.

A.—What did you say when it was offered to you?

A.—At the time he offered it to me I did not think it was to me it was offered. I thought it was offered as a rebate to the Province, and I said I was going to call the auditor in. It was rather an irregular transaction, something for which there had been no precedent, and I had only been in office about six weeks at the time, and I did not know how it could be entered up or what to do in connection with the whole transaction. When I told him I would send the secretary over to the auditor to see what he thought about the situation, how he would take care of it, he said: what has he got to do with it?

Q.—Mason said that to you?

A.—Yes, I explained it to him.

Q.—You thought it was money for the Province?

A.—Yes, he said, What, are you going to give this to the Province, put this to the Province's credit, and I said, Yes, and he refused to pay it.

Q.—He refused to pay it?

A.—I refused to take it.

Q.—What form was it in?

A.—I don't know.

Q.—You did not see money, cheque or anything?

A.—No.

Q.—Did he give any reason why he would not give to you when you said you were going to credit the Province? Is that the reason he would not give it to you?

A.—I would not take it.

Q.—You said you were going to call the auditor, and he objected?

A.—Yes.

Q.—What objection did he make?

A.—On the grounds I was going to give it to the Province, I was not going to take it for myself.

Q.—Mason wanted you to take \$15,000 for yourself?

A.—Yes.

Q.—You refused it?

A.—Yes.

Q.—Did he say at any time anything about any particular commissions going to the brokers?

A.—No.

Q.—He did not say anybody before you had received commissions?

A.—No.

Q.—He refused to give you the \$15,000 to place to the credit of the Province?

A.—Yes.

Q.—And so you did not get the \$15,000 at all?

A.—No.

Q.—Although you had the offer of it?

A.—Yes, I had the offer of it.

Q.—And it was withdrawn from you by Mason, because you said you were going to place it to the credit of the Provincial Treasury?

A.—Yes.

Q.—Did he ever see you again about it?

A.—Yes.

Q.—Where?

A.—Well, I don't know where.

Q.—When was the next occasion, Mr. Smith, that you saw Colonel Mason?

A.—I couldn't tell you.

Q.—About when?

A.—I really have no idea.

Q.—When you did meet him did you re-open this question of the \$15,000?

A.—No, that was never re-opened again.

Q.—The only time this was mentioned was in your office on the occasion you have already related?

A.—Yes.

Q.—And at the time of your trial was this cheque, which was referred to in the evidence of the Public Accounts Committee last year, was that cheque available then?

A.—I couldn't say.

Q.—You do not know where the cheque is at the present time, or have you never heard?

A.—No, I didn't know there was a cheque until it came out in the Public Accounts.

Q.—You do not know where that cheque is now?

A.—No.

Q.—And Colonel Mason said nothing further about the withdrawal from you of the \$15,000 than what you said?

A.—No.

Q.—Had you any further conversation about any other reason why you should not have it?

A.—No other reason why I shouldn't have it.

Q.—The only reason he gave why you shouldn't have the cheque was that you were going to put it to the credit of the Province, that is the fact?

A.—Yes.

By HON. MR. RANEY:

Q.—Mr. Smith, you said there was no file, no Home Bank file with respect to this loan when you came in, and do you recall whether you made inquiry of the Home Bank people whether they had a file?

A.—I think I told Mr. Mathews or someone to call him and ask if there was a file in connection with it.

Q.—To call who?

A.—The Home Bank.

Q.—You wanted to see their file?

A.—I wanted to get our file complete; they had no file.

Q.—What was the next step in the matter?

A.—I got in touch with Mr. McGarry.

Q.—How did you get in touch with him?

A.—I wrote him.

Q.—What for?

A.—Asking him if he could tell me anything about the file relating to the transaction of the Home Bank.

Q.—What was the next after that?

A.—A short time after he sent me the file with the offer of the loan, all the papers in connection with the original transaction.

Q.—By covering letter?

A.—No, he sent it by messenger, and wrote me a letter at the same time stating in taking out his private files, he inadvertently included that, and did not know till he searched his files.

Q.—Could you say how long this was after you came into office?

A.—I would say a month, perhaps.

Q.—What was the next thing you did or was done?

A.—Well, there wasn't anything further as far as I remember.

Q.—Did anybody discuss with you questions of any discrepancy in connection with these negotiations, or as regards the financial transaction or otherwise?

A.—Well, no, nothing definite, there was talk as you heard before, street talk.

THE CHAIRMAN: We are not going into street talk. There was nothing definite.

By MR. RANEY:

Q.—Then did you afterwards meet Mr. McGarry in the matter?

A.—No.

Q.—Did you meet him at all?

A.—Yes.

Q.—How often, do you remember?

A.—Probably three or four times.

Q.—Do you remember where?

A.—I remember the first time was in the King Edward Hotel.

Q.—Was that by appointment?

A.—Yes.

Q.—Do you remember who made the appointment?

A.—He made the appointment with me.

Q.—How was it made, by telephone?

A.—I think by telephone.

Q.—Where did you meet, at dinner?

A.—Yes, we had dinner together in his room.

Q.—What was the subject of conversation?

A.—Oh, just the Department generally.

Q.—Then a second time?

A.—No, I cannot recall it; it was on the street then; we never made any further appointment.

Q.—Just one appointment, and the others were incidental meetings?

A.—Yes, incidental meetings.

Q.—Covering part of November and December?

A.—No, it was later on than that.

Q.—Was the subject of the Home Bank loan ever discussed between you?

A.—No.

Q.—Never discussed between you and him?

A.—No.

Q.—How many visits did Mr. Mason make to your office after you came in?

A.—Just one.

Q.—Did you have any visits from anybody else in connection with this matter?

A.—No.

Q.—Did you have conversations with Mr. Mathews about it?

A.—About the loan?

Q.—Yes, about the Home Bank loan?

A.—No doubt I did in the natural course of events, he being secretary of the Department.

Q.—Did he tell you anything about the cigar-box of money?

A.—No.

Q.—Or bills?

A.—No.

Q.—The cheque, the Home Bank cheque for \$15,000 made in your favour, you will recall the cheque I refer to?

A.—Was it made in my favour?

Q.—It was made in favour of Peter Smith or bearer.

THE CHAIRMAN: It was to Peter Smith as Provincial Treasurer.

MR. HOMUTH: Was that the cheque or the stub?

THE CHAIRMAN: Stub.

HON. MR. RANEY: The cheque was afterwards found.

THE CHAIRMAN: Not before the Committee.

HON. MR. MCCREA: As I understand the cheque was afterwards found.

HON. MR. RANEY: Found payable to Mason?

THE CHAIRMAN: How was the cheque drawn?

HON. MR. MCCREA: To Mason.

HON. MR. PRICE: I think I can clear that up, the stub said Provincial Treasurer; the cheque when it was found, some time after the House arose, by the liquidator, was drawn to cash.

MR. NASH: It was a bearer cheque, the stub was drawn: Honourable Peter Smith, Provincial Treasurer. The cheque was a bearer cheque.

HON. MR. RANEY: The evidence I think was that it was a cheque for \$15,000 and that went out of the Bank in legals, and as I recall the evidence which was very straightforward, that a few days afterward the witness deposited in Stratford, I think, seven or eight legals of a thousand dollars each.

BY HON. MR. RANEY:

Q.—Will you tell the committee where these legals came from?

MR. LENNOX: You need not answer that question unless you want to.

WITNESS: No, I do not feel I should answer it to-day; it was a family affair of my own, between my brother and myself.

HON. MR. PRICE: We do not want to go into any of Mr. Smith's private business affairs.

THE CHAIRMAN: Do I understand you refuse to answer the question on the advice of counsel?

MR. LENNOX: He refuses to answer because it is a family matter.

WITNESS: It is a private matter, and has not anything to do in connection with the Government.

MR. NASH: The exact wording of the cheque was Honourable Peter Smith, Provincial Treasurer, or bearer.

WITNESS: That was the cheque?

HON. MR. MCCREA: Peter Smith's name is not on the cheque.

MR. NASH: No. The cheque was a bearer cheque, payable to Honourable Peter Smith or bearer.

MR. SINCLAIR: His name is not endorsed?

MR. NASH: Not endorsed.

BY HON. MR. RANEY:

Q.—Was there any third party, any intermediary between you and Mason or the Home Bank?

A.—No.

Q.—Did any legals come to you in Toronto during the month of December, 1919, thousand-dollar legals?

A.—No, I do not think so. It is pretty hard for me to tell now the exact dates, it is so long since.

Q.—Where did the thousand-dollar legals that you deposited in your bank in Stratford come from?

MR. LENNOX: You need not answer that unless you want to.

WITNESS: Where did they come from, the ones I deposited, you are alluding to, a few moments ago?

By HON. MR. RANEY:

Q.—Yes.

A.—They were the result of a sale of some bonds.

Q.—Sale made where?

A.—In Toronto.

Q.—By whom?

A.—By myself.

Q.—To whom?

A.—To the Home Bank, that is the bond branch of the Home Bank.

Q.—How many legals did you get from the Home Bank?

A.—Seven.

Q.—When was that transaction?

A.—I couldn't say definitely here, somewhere about Christmas time.

Q.—What was the bond, on what, whose bonds were they, what corporation, were they Victory bonds?

A.—Yes.

Q.—How long had you held them?

A.—They were not my own, only two of them belonged to me, the rest of them belonged to my brother.

Q.—With whom was the transaction conducted?

A.—With the bond branch of the Home Bank.

Q.—Mr. Fleming?

A.—Mr. Fleming, I believe, was the manager at the time.

Q.—Two belonged to you?

A.—Yes.

Q.—How long had you held them?

A.—I had had them some time, I don't know just how long.

Q.—Months or years?

A.—Years, a couple of years, anyway.

Q.—Were they all Victory bonds?

A.—Yes.

Q.—Some belonging to your brother's estate?

A.—He was living then.

Q.—When did you get those bonds from him?

A.—Just at that time.

Q.—Were they registered bonds?

A.—No.

Q.—Bearer bonds?

A.—Yes.

Q.—How long had he held his bonds?

A.—I couldn't tell you that.

Q.—Was he ill at that time?

A.—No.

Q.—What was the exact amount, do you recall, that you realized from the bonds?

A.—No. It was something over \$7,000; I do not remember the odd figures.

Q.—Something over \$7,000 in bonds?

A.—Yes.

Q.—They were at a premium, were they?

A.—Yes, sir.

Q.—You received seven \$1,000 bills from the Home Bank?

A.—Yes.

Q.—Was that the first time you had ever seen a thousand-dollar bill?

A.—No.

Q.—Had you seen them previously in your experience?

A.—I had.

Q.—Before you became treasurer?

A.—Yes.

Q.—How did they come to pay you in thousand-dollar bills?

A.—I don't know, they just handed me seven thousand-dollar bills.

Q.—The balance in smaller bills?

A.—Yes.

Q.—Did you explain to Mr. Lennox who conducted your defence that this was a fact that you had deposited seven one-thousand dollar bills in your bank in Stratford?

MR. LENNOX: That is between solicitor and client.

HON. MR. RANEY: Let him decline himself.

By Hon. Mr. Raney:

Q.—Did you explain to Mr. Lennox before your trial and before you pleaded guilty to the charge in respect of this \$15,000, did you explain to him about this seven one-thousand dollar bills you had deposited in Stratford, which were received by you in exchange for Victory bonds?

MR. LENNOX: I advise him not to answer.

WITNESS: I refuse to answer.

By Hon. Mr. Raney:

Q.—Did you realize at this time that this matter, this particular matter, the deposit by you of the seven one-thousand dollar bills two days after the date of the stub of the cheque was very serious in view of the charge against you?

A.—I did not realize, Mr. Raney, that there was any serious aspect to the case.

Q.—In face of your view that there was nothing serious about this charge in respect of the \$15,000, you say that your counsel advised you to plead guilty?

A.—No, I did not say that; we discussed the matter pro and con, and I decided I hadn't much money to lose.

MR. LENNOX: As a matter of fact, his solicitor advised him not to plead guilty.

WITNESS: I decided I had spent all my money in fighting the law and the cards were all stacked against me.

By HON. MR. RANEY:

Q.—Did you not realize if you went into court and showed the court that these seven one-thousand dollar legals had been received by you for a consideration on Victory bonds, that you would not need to plead guilty, and there would be no case against you?

A.—If the whole case had rested on seven one-thousand dollar bills, it would have been perfectly all right to fight the case. There was so many ramifications to it.

Q.—What ramifications were there to this?

A.—There were seven different charges against me, between me and the Home Bank, stealing \$48,000, and it seemed to me, that under the circumstances, being convicted, and the fact that I had to play a lone hand, and knowing public opinion was against me, and the press were against me, and I had been found

guilty on one charge of conspiracy, and there was no jury in the world, I thought, would ever acquit me on any other charge.

HON. MR. PRICE: I think, from Mr. Raney's examination, he has not read the evidence in the Public Accounts Committee, either that, or he is trying to prove Mr. Smith was not properly defended.

HON. MR. RANEY: All I am trying to show, and my information at the time was, and still is, and that is a thing that struck me at the time, that I saw no evidence in the case so far as this \$15,000 charge was concerned, except the evidence of the legals. It was stated \$15,000 had gone out from the Home Bank in legals, and three or four days after, Mr. Smith had deposited seven, and that bore out a very cogent piece of evidence. If there was any other evidence, I do not want to pursue the matter.

THE CHAIRMAN: He said he had been convicted and he hoped when the facts were presented to the court, it would not increase the penalty, and he did not want to incur expense.

MR. HOMUTH: I think we all understand that.

By HON. MR. RANEY:

Q.—Do you know of anybody else receiving legals from Mr. Mason, or from the Home Bank about that time?

A.—No, to know a thing and to hear it are two different things.

Q.—Did you hear of anybody who had received legals?

A.—I don't know as I heard that.

Q.—Or received money?

A.—I heard a lot of rumours. I think I have heard rumours about everybody in this room perhaps, which are, I trust, as groundless as the rumours I have heard about myself.

Q.—It is all gossip?

A.—Yes.

By MR. SINCLAIR:

Q.—Did Colonel Mason give you any reason why he was offering \$15,000 to you?

A.—Well, after going into the circumstances it has become stamped indelibly upon my mind he told me at that time he felt that the talk largely was around the street that he had not paid enough money for the loan, and I thought at that time he was going to repay the Province, but rather than that he was going to try and pay me. I was not of that nature, I would rather do anybody a good turn than a bad turn. I might have gone into the thing, and caused a lot of trouble for people, but I didn't do it.

Q.—Did he give you any information as to any other portion of the profit the Home Bank had made having gone to anybody?

A.—No.

Q.—In view of what Mr. Nash says here about this cheque, do you now recall the fact that there was a cheque there?

A.—No, I never heard of a cheque until the evidence. I was struck to see my name as being on the cheque of the Home Bank before the Public Accounts Committee.

Q.—As far as you can say if Colonel Mason ever made an offer of \$15,000, you do not know what form it was in?

A.—No, I do not know what it was, I never saw it in any way, shape or form.

(Hearing adjourned)

Certified correct,

EDWARD C. FOOTE,
of Nelson R. Butcher & Co.,
Official Reporters.

THE CHAIRMAN: Gentlemen, you have heard the evidence as taken by the sub-committee yesterday. What do you wish done. I fancy that the proper thing would be to direct that it be received and placed on the record of the Committee. Will anybody move that? Moved by Mr. Freeborn, seconded by Honourable Mr. McCrea, that the evidence as taken by the sub-committee at Kingston be received by the Public Accounts Committee and incorporated in the records of the Public Accounts Committee of this year. Those in favour? Carried.

HON. MR. RANEY: I am here, Mr. Chairman, ready to go on where we left off on Friday.

THE CHAIRMAN: What is the pleasure, Mr. Biggs and Mr. Raney are both here. The Committee must remember this, we have only got a very short time, we will have to hold almost continuous sittings from now on. What is the pleasure of the Committee? Do you want to hear the evidence of Mr. Biggs or Mr. Raney first?

MR. MACBRIDE: We had better have Mr. Raney for a while.

HON. MR. PRICE: I think we should hear Mr. Raney.

THE CHAIRMAN: All right; is it the pleasure of the committee that Mr. Raney be heard?

HON. MR. RANEY: Mr. Chairman, just a moment: I think perhaps before taking the oath I ought to make a brief statement,—it will be very brief,—so that the Committee will understand what the matter about which I will speak is about.

Mr. MacBride at the last meeting of the committee referred to the Ridout transaction. It is reported in The Star newspaper, apparently a short-hand report, of last Saturday, in these terms:—

“F. G. McBrien, conservative member for South West Toronto then took up the Ridout transactions;

Q.—(To Mr. Drury)—These were just before the general election?

A.—I believe so.

Q.—Was it common knowledge in the Cabinet that there would be a profit of \$90,000 made in this transaction—that is the Ridout transaction?

A.—It was not common knowledge to me.

Q.—You had no knowledge that there was an agreement that this profit was to be split \$45,000 to Ridout and \$45,000 to campaign funds?

A.—None.

Q.—You swear that under oath?

A.—Yes.

Q.—You have no knowledge of Mr. Raney having refused to take the money for a campaign fund on account of Ridout having fluked the thing through,

having deposited the money in his own bank account where it could be easily traced?

A.—Absolutely none. My instructions were that no questionable funds were to be accepted for our campaign funds.

Q.—Your ministers did not always carry out your instructions?

A.—That may be.

Q.—You don't know of any row between Mr. Ridout and any member of your Cabinet over his making such a fluke?

A.—Absolutely none.

You had better be here Wednesday morning, Mr. McBrien warned the witness ominously."

Now that was the beginning of the matter. It began, I think, with the speech of the chairman of this committee in the House, on the 18th of March.

MEMBER: Is this a speech?

HON. MR. RANEY: No, it is not a speech, but I want the Committee grounded in what we are going to talk about.

"Mr. Finlayson saw in the Ridout letter of approach the inspiration and the fine Italian hand of a lawyer and he pointed out that the only lawyer privy to the intimate affairs of the administration was Mr. Raney. The late Attorney-General's chairmanship at the meeting which had ratified the deal and the haste in which such meetings had been summoned were pointed out by the speaker.

The deal, Mr. Finlayson concluded, was one for which the late Attorney-General must accept responsibility in respect to which he cannot hide behind a defeated premier or a colleague who was in the penitentiary.

Then Mr. Price used this language on the 23rd of March. "Mr. Price then reviewed the position of Honourable W. E. Raney, the late Walter Curry and D. K. Ridout. Mr. Curry, he said, went backwards and forwards between Smith and Raney with reference to the Assured Savings Scheme, settling the matter so that Mr. Ridout, who made \$100,000 on one Government deal, should also get the other profitable thing in the savings scheme. Mr. Curry then got a \$3,000 loan from Ridout. If they wanted suspicion there it was.

And then Mr. Cooke, a member of the Government, is reported in the Mail & Empire—these extracts are all from the Mail & Empire report; The Mail & Empire report says:

"Yesterday's discussions upon the amendment displayed no softer tone towards Mr. Raney than had the scathing addresses of preceding days. Honourable J. R. Cooke, and Honourable W. H. Price, K.C., cabinet ministers, were the day's first speakers, and they did not mince words towards the late Attorney-General. Pointing to the suspicion which surrounded the financing of the U.F.O. Government, Mr. Cooke strongly said: "That trail of suspicion leads nowhere more definitely than it does to the door of the late Attorney-General."

And, a little later on: "And to no member of that Government, Mr. Cooke strongly declared, does the trail of suspicion seem more clearly defined than it does to the door of the mover of this amendment." He proceeded to sketch in the details of the celebrated Ridout deal, recollecting the manner in which it had been pushed through at council meetings over which Mr. Raney had presided. "We will leave the late Attorney-General," Mr. Cooke then said, "to explain the idea which has been growing up in the minds of the people that the late Provincial Treasurer was not alone to blame."

Now, Mr. Chairman, I might, I think, fairly wait for the evidence which

Mr. McBrien promised to bring before this committee to substantiate these charges. I know there is no such evidence, and therefore I propose—

HON. MR. PRICE: If he wants to make a political speech, everyone knows what he said in the House about the matter.

HON. MR. RANEY: We will deal with one thing at a time.

HON. MR. PRICE: He is simply making a political speech. If he has got any statement to make, I think he ought to make it.

THE CHAIRMAN: Every member of this committee knows this, that Mr. Sinclair and I tried to make a ruling last year that political speeches were not in order here. They were excluded last year. And this year again when the Committee first sat, we had something of this kind and it was stopped. Now, Mr. Raney said the other day, that he and Mr. Drury wanted to come before the Committee and give evidence. Mr. Drury has done that in the regular orderly way. I think it is proper for Mr. Raney to do the same.

MEMBER: I think he is going to try and read us another lecture here.

THE CHAIRMAN: I am here as chairman and I propose to make no comment, but I do want to say the same rule must apply to Mr. Raney.

HON. MR. RANEY: All right—

THE CHAIRMAN: No, I don't propose to allow any more speeches.

MR. MACBRIDE: I thought the objection was to political speeches.

THE CHAIRMAN: What is the pleasure of the Committee? Are we going to observe the rule that is laid down? This is a committee to take the evidence?

HON. MR. RANEY: Just a moment.

THE CHAIRMAN: Now, I have ruled and you have the right to appeal of course. The steadfast practice of this committee has been against taking political speeches.

HON. MR. RANEY: Well, I know what will happen if I appeal from your ruling, so I won't appeal. Give me the book.

MR. CHAIRMAN: I think a comment of that kind—you will please withdraw that.

HON. MR. RANEY: I thought I knew what would happen.

THE CHAIRMAN: I asked you to withdraw any improper suggestion.

MR. SINCLAIR: I don't want to get into any wrangling here, but I think a member here this morning is entitled to make a certain statement. While he has read certain quotations from the paper, as I understand it, he is just beginning to make his statement, and at that stage the committee intervenes, and if he has a statement to make surely he stands in a little different position from an ordinary witness subpoenaed. I do submit it is only fair that this committee should hear the statement, and I think it would look far better to the public when this record is printed if there are less objections now and more statements given. And that is just where we are beginning to fall down this year in our Public Accounts Committee as compared with last year. The situation is different this year though, because the party in power is defending itself behind the bulwarks of the Public Accounts Committee, and I do, as a member of this committee, object to that. One cannot have listened to the evidence taken at Kingston yesterday, but be impressed with the fact.

THE CHAIRMAN: Now, Mr. Sinclair;

MR. MCBRIEN: That is another political speech.

MR. SINCLAIR: Yes, and you are just as guilty. If we are not to be allowed—I know where I can be more profitably employed than sitting in the Public Accounts Committee. If it is to be all one-sided let us know about it, and we will keep our place and let you run the committee.

THE CHAIRMAN: Let me remind you it was at your suggestion last year that we excluded political speeches, and there never was a more direct political speech than this. Mr. Raney asked to come and give evidence, Mr. Drury gave evidence in the proper way.

MEMBER: You know the situation last year was entirely different than this year.

MR. SINCLAIR: I know, the shoe was on the other foot.

THE CHAIRMAN: Where are we at? I am asking Mr. Raney to withdraw the insinuation that the chair was acting improperly?

MR. RANEY: I didn't make that suggestion. I said I knew what would happen if I appealed from your ruling.

THE CHAIRMAN: I am chairman and I am asking you to withdraw a suggestion of that kind.

MR. RANEY: The suggestion, I said I thought I knew what would happen if I appealed from your ruling?

THE CHAIRMAN: Which is an improper statement.

HON. MR. RANEY: I differ from you.

MR. SINCLAIR: What power have you got to make any man withdraw a statement.

THE CHAIRMAN: I have control of the committee and I have exercised that right and I propose to exercise it.

MR. SINCLAIR: I know, but you have no power.

THE CHAIRMAN: I will ask the committee.

MEMBER: The Legislature has power.

THE CHAIRMAN: We will report to the Legislature. It is an improper and unparliamentary suggestion and if he doesn't withdraw it the procedure is to report it to the Legislature.

HON. MR. RANEY: I am quite satisfied. I am quite prepared to take the oath.

MR. GRAVES: What does he mean to insinuate, that he contemplates the action of this committee? He practically makes a statement this committee will do certain things—

HON. MR. RANEY: Well, if it will facilitate the proceedings of the committee and if any member of the committee thinks he has been offended by what I have said, I will withdraw it.

HON. W. E. RANEY, sworn.

HON. MR. RANEY: The statement that I proposed to make—I was not sure whether members of the committee would prefer to proceed with my examination. I am content that they should do that, but if nobody is ready to examine me or ask questions, I will make a brief statement with reference to the so-called Ridout deal.

THE CHAIRMAN: Perhaps it would be convenient to let Mr. Raney go ahead with his statement if nobody wishes to ask questions. After, they can do so.

HON. MR. RANEY: In 1923, as a member of the late Government, and in common with other members of the Government, I approved of the sale of \$10,000,000 Province of Ontario Treasury Bills, to be dated the 25th of April, 1923, and to be repaid with interest on the 21st of December, 1923, at a rate of discount not to exceed five per cent. per annum, and the Order-in-Council approving the sale was passed on the 23rd of that month, approving of the sale.

Now my recollection of the contents, my recollection of the terms of the sale as authorized comes altogether from the Order-in-Council which I have seen

since this discussion of this matter was raised in the House. In this transaction the Government, and I, as a member of the Government, acted according to the usual practice upon the advice and after the explanation of the Treasurer. I didn't know when giving my approval of this sale that the Treasurer had already made an agreement with Douglas K. Ridout for the sale of these Treasury Bills to him. The actual sale and the carrying out of the details of the sale were left according to governmental practice, entirely in the hands of the Provincial Treasurer and his staff.

I didn't have any communication in the matter direct or indirect with Mr. Ridout or with anyone else, other than the discussions in Cabinet council. I didn't see Mr. Ridout's written offer for these Treasury Bills, which is printed, I think, in the Votes and Proceedings of last year, dated 20th of April, or the acceptance of it which appears to be dated the same day, by the Treasurer.

Now I never heard that Mr. Ridout was the purchaser of these Treasury Bills or of the trips he and Mr. Mathews made to New York with the bonds, bills, Treasury bills, until the declarations in the Treasury Department some months after the election of the present Government. These were internal Treasury Department matters entirely in the hands of the Treasury Department.

Then, comment was made on the fact that there was a recommendation of the Treasury Board which consisted of the Prime Minister, the Treasurer and myself for the sale of this block of Treasury Bills, and the suggestion was made that there had been undue haste in the matter, and that a meeting of the Treasury Board composed of Mr. Smith and myself had taken place on the Friday. I think that was the day, in the absence—perhaps on Monday—in the absence of Mr. Drury, and that he knew nothing of the transaction.

As Mr. Drury explained on Friday last in his evidence, the Treasury Board as constituted in our Government never functioned by itself. All Treasury Board matters were dealt with in full council meeting, and when the council had approved of a transaction, if the transaction required a recommendation from the Treasury Board after the approval by the council, the Treasury Board recommendation was signed by the chairman. If the Prime Minister was present it was signed by him. If he were not there it would be signed by me most likely.

I have no recollection of the issue of this block of Treasury Bills distinct from my recollection of many other similar transactions in Treasury Bills and bonds. There was a uniform practice. The Treasurer, when he required money, came to the council, saying I will require so much money by such a date, telling us in a general way what the requirements were and what the state of the market was, telling us often with whom he had consulted as to the advisability of the issue of provincial bonds, or of issuing short date Treasury Bills. If the market were not favourable he would recommend Treasury Bills, and if it was, the issue of the bonds.

I have no doubt that was the course of procedure in this case, though, as I have said, I have no recollection of this case separate and distinct from many other transactions of this kind that went through, because we were borrowing a great deal of money because of Hydro development, road construction and for other purposes, and to meet maturing debentures.

Now that, in a general way, is my statement with regard to the Ridout transaction.

HON. MR. PRICE: Are you making a statement on anything else?

A.—No, not now. One thing at a time.

Q.—I would like to ask you a few questions on that?

A.—All right.

Q.—When the first loan was brought before the Treasury Board, I see there a recommendation from the Provincial Treasurer, and that—

A.—What do you mean by the first loan?

Q.—On April 20th, apparently Douglas K. Ridout wrote to the Honourable Peter Smith, making an offer to discount \$10,000,000 Treasury—

A.—\$10,000,000?

Q.—\$10,000,000 Treasury Bills, and on page 59 of the Journals of the House, 1924, you will see there—

A.—Will somebody go into my room and get me a copy of the 1923 Public Accounts. I have the letter here, yes. I never saw it until I saw it printed in this report.

Q.—It says on page 59; you will find there the report of the committee of the executive council on matters referred to their consideration; those present, Hon. Mr. Raney in the chair; Mr. Nixon, Mr. Smith, Bowman, Doherty, Carmichael—

A.—Page 27?

Q.—I see then the Order-in-Council providing for it is as follows; report of the committee of the executive council on matters referred to their consideration, and it states—then you were in the chair. Well, was there actually a meeting of the committee of the executive council which is commonly called the Treasury Board? I see you signed W. E. Raney, chairman, dated 23rd of April, 1923. Was there actually a report of the committee of council?

A.—That report was drafted long after the Order-in-Council and came before the meeting of the Cabinet and when the transaction had been approved of, both the report or recommendation as you call it, whichever you like, were signed, I presume, both signed by me, if I was chairman of the meeting.

Q.—What you say is the Treasury Board or committee of council sat contiguously, or simultaneously rather, with council?

A.—As part of the council.

Q.—As part of council?

A.—Yes, and often didn't make a recommendation or a report until council had decided upon a course of action.

Q.—Then the recommendation signed by you here, it didn't mean anything?

A.—It meant a compliance with the statute, I presume.

Q.—It meant?

A.—Yes, it did mean something. It meant everybody had approved and you had to comply with the usual form.

Q.—When you put your signature to this did it mean the Treasury Board sat?

A.—Sat with and part, as the council.

Q.—Let us take it this way. The whole consideration of this matter then was in council?

A.—Quite so.

Q.—And then two recommendations, or two signatures of yours, one as chairman of committee of the council and one as chairman of the council on that day, were practically one and the same thing?

A.—Virtually; I think that is not putting it unfairly.

Q.—Then this matter would be put up before council and discussed as you have outlined?

A.—That would be the usual practice. I have no recollection of this particular transaction.

Q.—Well, this is a large transaction?

A.—But there were other large transactions.

Q.—This was a \$10,000,000 loan?

A.—A short date loan, not a bond issue.

Q.—\$10,000,000 Treasury Bill, where you had to have the money, apparently, get the money in New York. Did you know the money was going to be got in New York?

A.—Oh I knew about it, whatever it contained in these papers and whatever explanations Mr. Smith made at the time.

Q.—Do you mean to tell the Committee that as chairman of the council that date you would not make full inquiry and ascertain where the \$10,000,000 bills would be discounted?

A.—What does the Order-in-Council say?

Q.—Well, of course it says upon the recommendation of the Provincial Treasurer the committee of council advise. This was your first advice to council.

“Upon the recommendation of the Honourable the Provincial Treasurer the Committee of Council advise that pursuant to the provisions of Statutes of Ontario, 1917, Chapter 3, and for the purpose of redeeming a portion of the outstanding inscribed Ontario Government stock therein mentioned, the Treasurer of Ontario be authorized to raise by way of loan the sum of Ten million dollars by the issue and sale by way of discount of Eight hundred Treasury Bills, four hundred for Ten thousand dollars each and four hundred for Fifteen thousand dollars each, amounting in the whole to the sum of Ten million dollars, dated the 25th day of April, 1923, due 21st of December, 1923, payable in gold coin of the United States of America of the present standard of weight and fineness without interest at the Bank of Montreal in the City of New York, U.S.A., and that the said Treasury Bills be a charge upon the Consolidated Revenue Fund.”

That is the recommendation that you signed, as chairman. Therefore, it does appear, Mr. Raney, that you knew these would be discounted in New York city?

A.—I would assume that from this.

Q.—Well, you would not put your name to a thing like that in council unless you did know?

A.—Well, that is your inference on the matter.

Q.—It is not my inference at all; it is something you signed?

A.—There it is; it speaks for itself.

Q.—Would you sign it without going into the facts—?

A.—I have no doubt the usual procedure was adopted.

Q.—That was the usual procedure on a loan of this kind? To just treat it as a matter of course without going into it?

A.—What do you mean, going into it?

Q.—You know what I mean. Every Minister sitting at the Treasury Board has a duty to perform, to scrutinize. That is what he is there for. Did you scrutinize, did you go into it carefully, get all the facts?

A.—Mr. Price, you probably know; I think you do; you have been in the Government long enough to know that each Minister acts on the assumption that every other Minister in the Government is competent and honest, and that each Minister is advised and assisted by competent and honest deputies. The technique, the details of all these transactions, were worked out in the Treasury Department. I never questioned them, never had occasion to question them;

I am not a financial expert. When the Treasurer would come to me or to council and say this is the state of the money market, I need so much money, I have taken counsel in the matter, I am advised so and so, I recommend so and so, I accepted his advice, leaving the responsibility with him where it belonged.

Q.—But you might have a different view upon that, when you discussed it you might not think it was good business?

A.—Well, I didn't in this case apparently.

Q.—Why did you sign it if you didn't?

A.—Why did I sign it? Do you discover anything improper in the recommendation?

Q.—I want to find out just whether you are a rubber stamp on this thing or not?

A.—I have told you, endeavoured to indicate, that Mr. Smith always explained to us the transactions and the reasons for them. I was not in a position to question him. What is the rate in this bill, 5 per cent. or $4\frac{1}{2}$ per cent.? What is the discount?

Q.—It was a $4\frac{1}{2}$ per cent. bill, not to be at a greater rate than 5 per cent.?

A.—I don't know the money market.

Q.—Let us get down to details. You knew then, because you signed this, you must have signed something here. The record shows you did sign the recommendation that these bills be discounted in New York city. Do you say now you didn't know they were going to be discounted in New York city?

A.—I have already said I would assume from this language they were.

Q.—I don't want assumption. Surely you don't tell this committee you are signing Orders-in-Council without knowing what they mean, and where it says positively New York, that you don't know that?

A.—What is your question?

Q.—Did you know these were going to be discounted in New York city?

A.—My only answer is I knew whatever was communicated by the formal Order-in-Council.

Q.—Well, it says that?

A.—Speaks for itself.

Q.—Did you ask the Treasurer what the rate of interest was?

A.—I presume he told us. I have told you already I have no recollection of this transaction as being in any sense different from perhaps scores of other transactions—I don't know how many.

Q.—Well let us take it that the Treasurer told you that there would be the question of the exchange in New York city. Did you make any inquiry of the Treasurer to know if you got that exchange, if you got credit for that exchange?

A.—Afterwards?

Q.—Yes?

A.—Certainly not. I never pursued the Treasurer or any other member of the Government with regard to any matter in his department; take Mr. Biggs' department. We put through I suppose hundreds of Orders-in-Council affecting his department, leaving the carrying out of these Orders-in-Council to him and his staff.

Q.—That is, of course, quite right. Even if a Minister, even if it is not in your department, it is for the Committee to infer what responsibility he has for all transactions?

A.—Do the other members in the Government quizz you?

Q.—I think I am put over the jumps pretty hard. They try to keep me straight?

A.—Perhaps they haven't confidence in you, I don't know, I wouldn't quizz if you you were the Treasurer—well, go on.

Q.—Carrying out any business dealings, you are a lawyer, because you asked a pertinent question about it, do you distrust the other person?

A.—Not necessarily, no.

Q.—Because you take the ordinary prudent steps?

A.—My hands were very full. They were very full in my own department. Not only that but matters were referred to me by other Ministers, by the Prime Minister especially. I was not looking for more work, I will tell you that now quite frankly, during my term of office. I was not running around looking for business. I was attending to things in my own department that required looking after.

Q.—I think we all know Mr. Raney had a good deal of work to do. I realize his being the only lawyer, he must have had—I don't want to be unfair to Mr. Raney at all, I simply want to get the facts?

A.—I might tell you, Mr. Price, I had a particular reason for not being too inquisitive about Mr. Smith, because early—I am saying this; it doesn't reflect on Mr. Smith at all—but early in the administration I had the misfortune to trespass unwittingly on his jurisdiction. I needn't go into the detail; it was quite unwittingly; and he rather resented it, and I apologized to him, and after that I was pretty keen not to trespass again.

Q.—Well, then, Mr. Raney, what you say is that whatever there is you signed here no doubt you would have knowledge of it, and probably—

A.—I had sufficient reason for signing it; whatever I signed I had sufficient reason for signing.

Q.—Then you didn't follow this loan to find out whether the Government got the exchange?

A.—I didn't.

Q.—Let us pass then to the loan of May 8, that was a further \$5,000,000, sold through Osler & Hammond?

A.—What page is that?

Q.—Page 77, the Orders-in-Council are set out there, page 77?

A.—I think Mr. Drury was here at that time.

Q.—Mr. Drury was in the chair. Had you any knowledge of this \$5,000,000?

A.—I appear not to have been present that meeting.

Q.—Have you any recollection?

A.—I have no recollection of it at all.

Q.—Because that would mean \$15,000,000 in a comparatively short period?

A.—I have no recollection of it at all.

Q.—What brought you actually before this committee was the statement in the House that certain information that Mr. Drury gave you—

A.—No.

Q.—That was it, Mr. Raney—

A.—What brought me before this committee was the statement in the House that I had been privy to the contract between Smith and Ridout.

Q.—Well, you signed the Order-in-Council?

A.—I had not seen any Order-in-Council authorizing any sale to Ridout; I didn't know at the time—

Q.—When did you know?

A.—Know of what?

Q.—Know that Ridout actually bought these bonds?

A.—So far as I know, so far as I can recall, I think I am correct in saying I

didn't know of it until the fact was published in the newspapers or in the proceedings of this committee last year.

Q.—Well, do you mean to tell the Committee that you didn't know to whom this \$10,000,000 Treasury Bill was sold?

A.—I never learned, never was told.

Q.—Never made any inquiries?

A.—Never made any inquiries, never made inquiries with respect to any loan Mr. Smith sold.

Q.—You are a member of the Treasury Board, and you never said to Smith, to whom did you sell that?

A.—I have told you all about the Treasurer.

Q.—Just answer the question; you are making a speech. Did you ask Smith at any time to whom you sold the loan?

A.—No.

Q.—Did you not make an inquiry as to whether he made a good sale or not?

A.—No.

Q.—Did you ask him whether the sale was made in New York or Toronto?

A.—No, I didn't ask him anything about it.

Q.—Did you know it was made through the Bank of Montreal, or any private firm?

A.—I don't recall that I did. I certainly didn't know it was made through Mr. Ridout.

Q.—Let us get to the one on the 8th of May?

A.—Yes.

Q.—When did you find out a further \$5,000,000 Treasury Bill had been sold?

A.—I don't know that I ever found out until I saw it in this report.

Q.—As a member of the Treasury Board you knew nothing about that?

A.—I would not say that, where is the Treasury Board recommendation?

Q.—I want you to get down to definite—

A.—Now, Mr. Treasurer, don't make imputations. I am giving you something definite right along.

Q.—Well, if you don't know, say.

A.—That is what I have said.

Q.—You don't know to whom the loan on the 8th of May was sold?

A.—I don't know, or didn't at that time. I see the report here of the Committee, that is the Treasury Board, you say, doesn't contain my name.

Q.—No, not on the 8th, quite true. It isn't in your name. It is Mr. Drury's?

A.—I was not the guardian of the Treasurer.

Q.—You were not what?

A.—I was not the guardian, I was not Mr. Smith's guardian, more than I was Mr. Biggs' guardian, or any other member of the council.

Q.—Don't you think it is your duty as a member of the Government to guard the Treasury? You are not the particular guardian of the Treasury?

A.—Certainly, as a member of the Government it is my duty to guard the Treasury.

Q.—And you didn't make any inquiries as to how these were sold. Well, then, we find out in the evidence in the Public Accounts Committee that Mr. Ridout did make \$100,000 practically out of the exchange, sale of these bills in New York, and that the late Walter Curry did get \$3,000. Did you have any talk with Mr. Curry about that?

A.—Nothing at all. It never was spoken about between Mr. Curry and myself.

Q.—Did Mr. Curry tell you Mr. Ridout had made him a loan?

A.—He didn't.

Q.—Did he tell you Mr. Ridout made him a gift?

A.—He didn't.

Q.—Did he tell you that he was, well you knew, of course, he was acting for Ridout in the Assured Savings scheme?

A.—I knew that, yes. I think he told me he was acting as Mr. Ridout's friend in that matter. I think he put it rather that way, that he was not acting as solicitor.

Q.—Well, his friend?

A.—I would not—

Q.—Curry was a lawyer?

A.—Yes.

Q.—He drew—

A.—That doesn't matter anyway.

Q.—Did you know that Mr. Curry drew the papers to incorporate the Assured Savings Agency, Limited?

A.—He may have told me that, I am not sure. I think he told me at some stage that he had acted for Ridout in connection with the insurance saving scheme.

Q.—Well, you saw Curry? You had a number of conferences with Mr. Curry over that?

A.—After, not before the arrangement was made.

Q.—Well, but the initial arrangement was made undoubtedly with Mr. Smith and Mr. Doherty about that; they were anxious to get deposits for the savings bank?

A.—Yes.

Q.—But your department made a report on it?

A.—After we had learned, yes, Mr. Gray made a report.

Q.—Mr. Gray made a report which was adverse to it?

A.—You are switching now to something that happened, I think about a year was it not, before the sale of this \$10,000,000 bill.

Q.—I think it was in 1921, probably, or 1922?

A.—Would you like me to tell you what my connection was with that?

Q.—I will just ask a few questions; you can tell what you like afterwards. Your department were opposed to it?

A.—Yes, and I was opposed to it.

Q.—And Mr. Curry spoke to you saying he was acting for Mr. Ridout? I am asking the direct question, did Mr. Curry speak to you and tell you he was acting for Ridout in this Assured Savings matter?

A.—He came to me to speak on Ridout's behalf in that matter—

Q.—Did he tell you he was Ridout's solicitor?

A.—I don't think he told me he was Ridout's solicitor. I think he told me he had acted for Ridout in the incorporation of some company, whether this or not I am not sure.

Q.—Well, but this was the company, the Assured Savings Company, carrying on this business, or about to carry it on?

A.—All right.

Q.—How many conferences would you have with Mr. Curry about this matter?

A.—These conferences were not until after a contract had been made between the Treasurer and Mr. Ridout, or Mr. Ridout's company.

Q.—Was this a signed contract?

A.—Yes, signed contract.

Q.—The contract that was afterwards cancelled?

A.—Afterwards cancelled largely on my objection, acting as Attorney-General. I objected to the contract.

Q.—You objected to this contract being signed?

A.—Yes.

Q.—And just to shorten it down, I think Mr. Smith claimed he made an error in signing it before it got settled?

A.—Something of that sort.

Q.—And Mr. Curry spoke to you something about getting the arrangement changed in some way?

A.—Well, the question was then, they had printed their literature and they had, I think, started their scheme. They were schooling their agents, they had made considerable expenditure on the faith of this arrangement. I objected very strongly to the contract and I objected to the literature they were putting out.

Q.—Objected to it in the House?

A.—I was afraid the literature would lead people who were being canvassed for the scheme to believe the Province of Ontario was behind the insurance scheme, which I thought would have been a very unfortunate thing; that was my chief objection.

Q.—Did you state that in the House when it came up?

A.—I don't remember; possibly I did.

Q.—I never heard you?

A.—I don't remember taking part in the discussion.

Q.—The late Hartley Dewart brought it up in the House and read the advertisement, and there was a discussion?

A.—I don't remember whether I was there or not, or if I heard it, but Mr. Curry came to me to suggest that Mr. Ridout's company should be permitted to carry on without any contract; that is to say, the persons insured would make certain deposits in the Provincial branch, and then would charge over against the account the premiums as they became due on the insurance. Of course that was much less objectionable, and the suggestion was they would revise their literature and proceed very cautiously and experimentally so to speak, and on that basis I discussed the matter with Mr. Curry, and I think he had Mr. Ridout with him. I am not sure that Ridout came to my office more than once but I have a recollection of his coming here once. I would not know him if I were to see him now. I do recall Mr. Curry brought him there on one occasion to try to arrange this matter on a working basis, of putting it on a working basis. I think they carried on for a year or two in your time, did they not?

Q.—Yes, we cancelled it eventually?

A.—If you wish me to, I will go into the details of my objection.

Q.—I think now that places the thing before the Committee. This would be in 1922, I take it?

A.—I think it was the summer of 1922.

Q.—And Mr. Curry came to you after this had been cancelled, after the agreement had been signed in your department and you advised it should be cancelled, and was Mr. Smith in favour of cancelling the contract?

A.—I don't know. I think he was. I think he was. I think the explanation you gave, in fact, that—

Q.—Was Mr. Doherty in favour of it? He was very much interested in it from the agricultural loan standpoint?

A.—I don't recall Mr. Doherty. Of course you must be careful and not ask me to discuss things that took place in any Cabinet council, because I am sworn not to divulge these things.

Q.—Was Mr. Doherty at any meeting with Ridout and Curry?

A.—I think not.

Q.—Smith?

A.—I think not.

Q.—Mr. McKenzie of the Savings Office?

A.—I think I saw him once or twice, but I think not in the presence of Mr. Curry, although I am not too sure.

Q.—Mr. McKenzie was in favour?

A.—He was the manager?

Q.—Yes?

A.—Yes, I think it was rather an issue between him and Mr. Gray. I entirely sympathized with Mr. Gray.

Q.—So eventually it was decided to allow Ridout and his company to go along, and did you tell Curry you would be satisfied along that line?

A.—What judge was it who used to say, "I gave a grumbling assent." I think it was rather a grumbling assent I gave.

Q.—Well at the same time this matter was being considered, you will recollect what a faithful follower Mr. Curry was of the Government's in the House?

A.—Well, you may put it that way. I don't know that I would say friendly to the Government.

Q.—He was friendly to the Government. You recollect, Mr. Raney, on the floor of the House, he always supported you. I thought he was one of your best supporters in the House always?

A.—I would not say he always supported me. He was friendly to the Government, I think that is sufficiently stated.

Q.—And especially a little later, on the amalgamation of the Registry Offices in the city, he supported that bill?

A.—I imagine he did, I think so.

Q.—There is no imagination. You remember him getting up on the floor of the House and supporting?

A.—I don't remember definitely, but I have no doubt he did support it.

Q.—Well, I think everyone else remembers it. Then, shortly after the Government went to the country, you did appoint him registrar for Toronto?

A.—Yes.

Q.—That is, the Government went to the country, I think, on the 8th of May?

A.—You mean that is the date?

Q.—1923?

A.—What do you mean, going to the country?

Q.—Writs were issued?

A.—That was the date of his appointment wasn't it.

Q.—No, his appointment?

A.—No matter anyway. It was just before the election.

Q.—It was just about the same time the Government went to the country, the writs were issued, Mr. Curry was appointed?

A.—About that time, yes.

Q.—And he was appointed as the registrar to fill the vacancy in the new Act?

A.—And a very excellent appointment too.

Q.—It may have been an excellent appointment, but those are the facts. And just at the same time this was going on, this loan transaction went through, the Ridout loan of \$10,000,000?

A.—The dates speak for themselves.

Q.—That is what I was saying in the House. I am making no charges, just reciting facts?

A.—Oh, you used the word suspicion.

Q.—I just want to point out?

A.—If you want me to quote what you said.

Q.—I think it is correct?

A.—“If they wanted suspicion there it was.”

Q.—You were suspicious of everybody?

A.—I beg your pardon, I said the McGarry transaction with the Home Bank was reckless financing. I never accused McGarry of dishonesty, never.

Q.—It is a lesson for everybody, I think, to be careful?

A.—That is what I think this was done for. I was told I was getting my lesson.

Q.—Well, of course, you would blame someone outside the Government. Now, Mr. Raney, at the same time Mr. Curry was being paid by Ridout \$3,000?

A.—I have no knowledge of that.

Q.—You state to us positively you knew nothing about that at all?

A.—When I say a thing I say it positively.

Q.—That this loan, that you didn't know this loan was going through, and there would probably be some funds for election purposes?

A.—Never heard of it until Ridout told us in his evidence before the Committee last year—funds for election purposes you say? I had no knowledge.

Q.—There was an election on?

A.—There was an election on in June, yes.

Q.—And here was \$15,000,000 of Treasury Bills sold in New York; you were chairman of one of them sold to Ridout, who gave some money to Mr. Curry?

A.—Yes, well, if you have evidence of anything improper in connection with this transaction bring it on.

Q.—Oh you know Mr. Curry's bill for the incorporation of the Assured Savings Co., Limited, was paid out of the Ridout profit?

A.—I didn't.

Q.—Well, Ridout produced the cheques here last year, showing that a bill for \$500 was paid?

A.—That had nothing to do with me, and I didn't know anything about it.

Q.—Did Mr. Curry speak to you about Mr. Ridout selling Treasury Bills?

A.—He didn't.

Q.—Did he recommend him as a faithful, good man for that purpose?

A.—He didn't.

Q.—Did Mr. Smith speak to you about Mr. Ridout?

A.—About some Treasury Bills?

Q.—Selling Treasury Bills to Ridout?

A.—I didn't; I think he would not be very likely to.

Q.—You don't think he would be likely to?

A.—No.

Q.—Why, do you think there was anything wrong with the thing?

A.—No, because Ridout's name had been rather, not reflecting on Mr. Ridout or Mr. Smith, but Mr. Smith and I had differed with regard to the Savings Branch matter so far as Mr. Ridout was concerned.

Q.—Yes, I see. Mr. Raney, must the last thing I want to say in connection with what Mr. Drury told you about the Home Bank loan of 1919, \$4,000,000 Home Bank loan, by the Hearst Government, completed by the Drury Government?

A.—Yes.

Q.—What was it Mr. Drury told you? You made a reference to this in the House?

A.—I said it in the House what he told me; he told me Mr. Smith had told him that in the early days of the Government that he had reason to be suspicious of this transaction.

Q.—Now about what time of the year was that Mr. Drury told you?

A.—Well, Mr. Drury located the time. I said in the House I cannot say definitely when he told me. Mr. Drury says it was last autumn, about the time of Smith's trial; that corresponds with my recollection.

Q.—Did you give evidence at Mr. Smith's trial?

A.—I didn't.

Q.—Mr. Drury and Mr. Doherty gave evidence?

A.—I believe so, yes.

Q.—Did you make any inquiries at that time to find out whether, or did Mr. Drury tell you what inquiries he had made to find out whether this thing was right?

A.—You mean did Mr. Drury tell me last autumn whether he had made inquiries in 1919?

Q.—Yes?

A.—I understood from Mr. Drury—I don't know that I understood in advance—my understanding was that when Mr. Smith made this remark to him he had asked Smith to look into the matter and report to him again.

Q.—Well, then, Mr. Smith and yourself were members of the Treasury Board or advisory committee?

A.—Yes.

Q.—Wouldn't that have been a matter that should have come before the committee?

A.—Well, it would not be a matter coming before the committee under the statute; there would be nothing more for it to do in the matter than there would be for the full council.

Q.—But the three of you were there, on financial matters?

A.—No, Mr. Drury told this and my recollection agrees—

Q.—I am not asking you about Mr. Drury?

A.—I am telling you my recollection agrees, that is, that there never was during the whole time of our administration a meeting of the Treasury Board distinct from the meeting of the full council. We always met and discussed Treasury Board matters in the full council, and had the benefit of the advice of all members.

Q.—Did Mr. Drury come to you and say, now, Mr. Raney, we have some information that this loan looks to be something off colour, something wrong, and we should investigate?

A.—No, he didn't.

Q.—Did Smith say anything?

A.—Smith didn't say anything to me about it.

Q.—You didn't get to know, although on the Treasury Board, that this looked like a suspicious loan?

A.—No, Mr. Drury explained all that.

Q.—So there was no further inquiry made about it?

A.—No inquiry made by me because I knew nothing about it.

Q.—I think that is all.

MR. MACBRIDE: In the House, during the budget debate, you moved a resolution condemnatory in its tone and wording against this committee for alleged failure to investigate certain matters last year. I suppose you have in your mind the subject matter of that resolution, have you?

A.—Fairly well, yes.

Q.—What basis have you for moving that resolution, what evidence, what suspicion?

A.—Have you got the resolution there?

Q.—I was trying to find it, but it is something the members all know, and I think you drew it with considerable care?

A.—I think the first clause—

Q.—Condemns this committee in its general tone for failure—

A.—The first clause, I think, was condemnatory of the financial transaction, a spread of three points, 64, as I recall it, between the price received by the Government for these bonds and the price paid by the purchaser?

Q.—Yes, but the part I am concerned with particularly is the clause in which you condemn this committee.

A.—I regretted that the Committee had not seen fit to refer to that matter in its report.

Q.—Had not seen fit to investigate that matter further?

A.—To refer to that matter in its report.

Q.—Now you are here as a witness; you were a member of the Treasury Board; is there any information now that you can give this committee with respect to that? Anything that will enable this committee to investigate further, that you suggest they might have done?

A.—Investigate what matter.

Q.—Any of the financial matters. You charge the committee with failure to investigate, you regret they have not seen fit to report, now you are one of the members of the former Cabinet?

A.—Better get the resolution here if you are asking me to discuss it.

Q.—Your memory is quite good enough to remember the resolution. I am asking is there any information that you can give this committee now, at this session, in order that we might go on and investigate further? I think that is a fair question?

A.—I have no personal knowledge about the matter.

Q.—You have no information?

A.—I have no personal knowledge about it.

Q.—You apparently two years after you came into office, you objected to this insurance plan that was proposed, the Ridout insurance plan; that was nearly two years after you were in office, 1922?

A.—Yes, more than two years, I guess.

Q.—Wasn't that purely a Treasury matter? Wasn't that a recommendation of the Treasury Board?

A.—Not purely a Treasury matter, no; the insurance department was my department, you see. Mr. Gray was the superintendent of insurance.

Q.—I think he was asked to make a report?

A.—I think he came to me with the matter first.

Q.—Didn't the matter emanate from the Treasury Board and Department of Agriculture, Smith's and Doherty's Department, in connection with farm loans?

A.—I think the arrangement was made between the Treasurer and Mr. Ridout, I understood.

Q.—Exactly so, that was a Treasury matter of—

A.—That is your inference. My recollection is my first knowledge of it came, I would not say absolutely it was the first knowledge, but at all events at some stage Mr. Gray came to me, Mr. Gray, the Superintendent of Insurance, which was my department, came to me and mentioned that this arrangement was going through and he was strongly opposed to it, and he told me what his reasons were and I agreed with him.

Q.—What Minister of the Government recommended to the Government—nailing it down to that—before it was referred to Mr. Gray; which Minister of the Government referred it to the Cabinet?

A.—I am not sure that it was ever in formal recommendation for the Cabinet. My recollection is the matter was raised in Cabinet council and was discussed.

Q.—In any event it was not a plan that emanated from your office?

A.—Certainly not from my department.

Q.—And yet you saw fit to interfere and oppose it, examine into it very thoroughly?

A.—You are quite wrong; the matter did affect my department.

Q.—Well, an official of your department made a report?

A.—I am quite positive that it was a matter that was brought to council—it wasn't because of my interfering with another department—for discussion, and as a member of the Government I took part in the discussion.

Q.—Exactly, and that is what I asked you a few moments ago. It came to the council from the Treasurer, Mr. Smith, and referred to Mr. Gray for examination and he saw fit to oppose it and it was discarded?

A.—No it was not discarded.

Q.—Practically?

A.—Not practically either.

Q.—Now, Mr. Raney, although you took sufficient interest in that proposal to oppose it, you told the Committee, you tell the Committee, that you didn't take any interest in these bond sales of these loans; can you explain why you took such a deep interest in the insurance plan the late Mr. Curry was promoting and yet you tell the Committee you didn't take any interest in the loans that were going through the Treasury Department at the time?

A.—The insurance scheme affected my department. The loans were purely Treasury matters, and I would have had no more right—there is a courtesy, perhaps you may not understand, among Ministers in the Government. No Minister will knowingly, if he is a man of judgment, trespass in the department of another Minister. If he has any complaint to make of another Minister he goes to the Prime Minister about it.

Q.—We perhaps know as much about courtesy and a little more than you do. Now I want to deal for a moment with the Jarvis deal if I may. My information is, whether it is correct or not, that the Jarvis deal, it was discussed with you and Mr. Doherty and Mr. Drury in the first instance, and that Mr.

Smith was not there at all as a matter of fact. Now was the conference with Jarvis on the Jarvis deal discussed by you and Mr. Doherty and Mr. Drury?

A.—No.

Q.—You swear you had no discussions with Mr. Jarvis with respect to that deal?

A.—I didn't say that.

Q.—Well, tell the Committee, did you?

A.—Mr. Jarvis came into the council chamber one day, it was probably either before or after a meeting of the council, and discussed this matter. I may have taken a part in the discussion; I don't recall whether I did or not.

Q.—Was Mr. Drury there and Mr. Doherty?

A.—I believe they were there, but I am not sure about it.

Q.—Is it a fact that Smith was not there?

A.—I don't know whether he was.

Q.—Will you swear he was not?

A.—No, I would not swear whether he was or was not.

Q.—You were down at Kingston the other day with this sub-committee?

A.—Yes.

Q.—And had an opportunity of questioning Mr. Smith. You said in the House, shortly after Mr. Smith came to office, that he had gone to Mr. Drury and told him there were certain alleged irregularities?

A.—I told the House what Mr. Drury told me.

Q.—Yes. Now when at Kingston the other day, when you had an opportunity of asking Smith about that, did you ask him?

A.—No.

Q.—After making the charge to the House, to the country, didn't you think it was a very important question and you should have asked him?

A.—No, I didn't think it important at all.

Q.—You don't attach any importance to it?

A.—Mr. Drury had told the Committee all about it; that was enough, I hope.

Q.—You didn't attach any importance to that. During your tenure of office you appointed the Gregory Hydro inquiry commission?

A.—I have heard of it, yes.

Q.—That spent considerable of the public money in this province. I asked Mr. Drury the other day, and I now ask you, who fixed the per diem allowance of these men?

A.—It was fixed in council.

Q.—Upon whose recommendation?

A.—I don't think there was any individual recommendation, as I recall.

Q.—You tell this committee that recommendation for a per diem allowance, running \$50, \$60, \$70, \$40 a day, five or six men, could be paid without some Minister accepting the responsibility of fixing it?

A.—They all accepted the responsibility.

Q.—Well, who moved it and who brought the recommendation to the council?

A.—I don't know; if there was a recommendation it will speak for itself.

Q.—And you cannot tell the Committee who did that?

A.—No, we had in our time, I suppose thousands of recommendations altogether; I cannot remember who made them.

Q.—Now, Mr. Raney, in 1923, before the House dissolved, previous to the election, you will remember probably, Hon. Mr. Nickle made a very splendid speech analyzing the budget in the House?

A.—What date was that?

Q.—The last session before you went to defeat?

A.—I think he made a speech, yes.

Q.—In that speech he analyzed very clearly and made the unmistakable opinion that gross, at least bad financing, had taken place. Do you remember that?

A.—Oh, on the deficit and surplus and things like that?

Q.—Yes?

A.—I suppose.

Q.—Do you remember replying to that speech? Do you remember standing up and giving a discussion on finance in reply to Mr. Nickle's charges?

A.—No, I don't.

Q.—Will you say you did or you didn't?

A.—No; I won't say one or the other.

Q.—My recollection is now—

A.—I hope you are not accusing me of making a financial speech, because I don't think I ever did.

Q.—That is what I am getting at. How could you stand up on the floor of the Legislative Assembly and make a reply to a financial critic and analyze financial affairs if you didn't know anything about it. You couldn't?

A.—I should think that is one of the best qualifications for making a speech, but I think I wasn't guilty. I don't think I made any such speech. As I recall my comment was that surpluses and deficits were largely matters of bookkeeping. What I was concerned with was to know that the revenue of the province had been properly collected and had been disbursed for the good of the people of the province.

Q.—As a matter of fact the audits since have shown they were not properly collected or properly disbursed, so it gets down to what I said; you made a speech on a subject you didn't understand.

Last year when this committee was investigating irregularities, after Hon. Mr. Price had made his very clear and pointed statement on the floor of the House with respect to the need of an investigation in his budget speech, why didn't you come to the Committee at that time?

A.—I suppose, Mr. Chairman and gentlemen of the Committee, that is my personal matter. I don't mind telling the Committee, though I waive that point. I will tell you now. Wait until I answer you. I was tired.

Q.—You were tired?

A.—I had four very strenuous years and I had wanted to retire from the Legislature altogether. I was prevailed on to stand again for election in East Wellington. After the election, if the Government had been returned, I probably would have retired very shortly. The Government was not returned, and it was more difficult to retire after the defeat of the Government than it would have been otherwise. And when the time of the session came around I said to Mr. Doherty, then leader, that I did not intend to attend night sittings unless there was any special occasion for it and did not intend to attend committee meetings unless there was special reason for it.

Q.—You will recall the session of the House did not begin for seven months?

A.—I know of that.

Q.—So your answer is you were tired?

A.—Yes.

Q.—Did you not feel the revelations that were being brought out in this committee and in the House touching on your administration of the affairs of

the province, didn't you think the matter was of sufficient importance to have you—

A.—I am not objecting to you putting any construction you choose on my conduct.

Q.—You have accused the Committee of neglecting to report. Now I want to establish definitely whether you had any basis for that allegation or not. I ask the question, didn't you think the matters being investigated last year with respect to the administration of which you were a member were of sufficient import to demand your presence here?

A.—I didn't think the situation called for my presence.

Q.—Now, Mr. Raney, as a matter of fact, in conclusion, you have no information, have you, or have you not—Mr. Chairman, I notice after the inquiry got going and Mr. Raney got in the box, that our friend (Mr. Sinclair) left the room for half an hour. I am intensely interested—

MR. SINCLAIR: Who left the room? Probably if you had as much business to do as I have you would leave the room. If you had anything to do you would not be here wasting our time now.

MR. MACBRIDE: Mr. Chairman, I am examining the witness. As a matter of fact your answer to my question is that you have no information of irregularity that you can give this committee?

A.—What are you talking about?

Q.—Have you any information to give this committee of any irregularities during your time or previous to your time?

A.—No, if I had I would give them. I said a while ago I had no personal knowledge.

THE CHAIRMAN: Now, gentlemen, it is one o'clock. I understand one or two other gentlemen want to ask Mr. Raney some questions. Is it convenient to go on or will we adjourn?

HON. MR. BIGGS: I would like to ask you if your evidence in connection with the Harris bond deals is complete, so that I can make my statement.

THE CHAIRMAN: Well, Mr. Biggs, Mr. Harris has been subpoenaed and we cannot say that it is complete, but I don't see any objection to your going ahead.

HON. MR. PRICE: Can Harris come here to-night?

HON. MR. BIGGS: I know nothing of Harris. When is it your idea to go on with the highway matters. I have two resolutions to put in on witnesses, when the highway matters are under consideration.

THE CHAIRMAN: If you will hand them in we will take them up to-night.

HON. MR. BIGGS: Moved by myself, seconded by Mr. Widdifield, that A. Bray and W. D. Flatt be summoned.

MEMBER: They are summoned.

HON. MR. PRICE: We will put these through, but I think they are summoned.

THE CHAIRMAN: The secretary says there is some question about whether these names have been summoned, and whether there is an order, and it is moved by Mr. Biggs, seconded by Mr. Widdifield, that these men be asked to appear.

Carried.

The Committee then adjourned until 8 o'clock the same evening.

PUBLIC ACCOUNTS COMMITTEE

Chairman, W. J. FINLAYSON, Esq.

Parliament Buildings, Toronto;

Tuesday, 7th April, 1925, 8 p.m.

THE CHAIRMAN: Mr. Raney was giving evidence. Does anybody want to ask Mr. Raney any further questions?

MR. MCBRIEN: Mr. Raney, in connection with the sale of \$15,000,000 worth of Treasury notes, how long a period did they run?

A.—Well, I recall that the \$10,000,000 lot ran from April to December. That is my recollection, and that is only just from reading the Order-in-Council. I would not have known if I had not read the Order-in-Council.

Q.—Less than a year?

A.—Well, whatever time that is.

Q.—What was the great urgency in selling those? Did you require the money immediately, or did the Government?

A.—The Treasury reported the need for funds. I did not cross question the Treasurer as to the urgency.

Q.—You realized your responsibility as a member of the Treasury Board?

A.—I do not need to be reminded of that. I know of my responsibilities.

Q.—And you made no investigation as to the real urgency?

A.—I accepted the Treasurer's explanation and report.

Q.—And made no investigation?

A.—I certainly made no investigation. I would not think of going into the Treasurer's Department to find out whether what he was telling me was true or not.

Q.—What do you consider your responsibilities as a member of the Treasury Board, simply to take everything as a matter-of-fact that the Treasurer suggested.

A.—My responsibilities as a member of the Treasury Board were to act according to the statutory requirements. I do not know whether you know what they are or not.

Q.—You are giving the evidence. What are the statutory requirements?

A.—I have them here. They are covered in some half dozen sections. I would want my friend to read them.

Q.—Well, just from memory?

A.—Well, the chief responsibility is in connection with exhausted appropriations. If an appropriation is exhausted the Treasury Board must recommend any further payments on that account, and there are several things of that character. For instance, when the auditor has, for any reason, refused to certify that a cheque may issue, the Department make requisition for the cheque; or the matter may be referred to the Treasury Board, and if there has been correspondence in the case the Treasury Board will then consider the matter and decide whether or not the auditor ought to sign the cheque.

Q.—Then you did not consider very much?

A.—Well, we considered all those cases when they arose.

Q.—Then can you give some explanation as to the urgency of this thing?

A.—May I repeat to you what I said before?

Q.—Answer the question?

A.—The Treasurer would come to the Council Chamber where the full council was sitting. That included the Treasury Board. He explained what

the situation was, gave us full details, submitted to examination. We asked him any questions we thought fit.

Q.—You asked him some questions?

A.—We asked him any questions we thought proper, and he made his recommendation. Some times there would be a delay after that.

Q.—What questions did you ask him as to the urgency of this matter?

A.—I told one of the other examiners that I had no recollection of this matter distinct from any matters of that same description.

Q.—How large were the issues?

A.—One issue of \$10,000,000 and later on another issue of \$5,000,000. I was not present when the \$5,000,000 went through.

Q.—That was the Roadhouse one?

A.—Yes. The Osler & Hammond name appears in the evidence last year.

Q.—Would you be surprised to know that only a small portion of this money was used before your government went out of office?

A.—I don't know anything about that.

Q.—Don't you think it was your duty to find out?

A.—I am not concerned with what you think was my duty. I am here to answer charges of graft, suggested by you largely. I am prepared to answer those questions. If you want to criticize my duty I am willing that you should.

Q.—I did not say graft, but I think it is certainly more or less negligence on your part. You were the only member of the Treasury Board that had any legal experience?

A.—I was the only lawyer in the Government.

Q.—And they would naturally look to you for guidance, would they not, in questions of this kind?

A.—Ask your questions and I will try to answer them. Give me time to answer one question before you ask another.

Q.—I asked you about the sale of these notes, why they were rushed through so quickly, about six weeks before a general election, and at the time those bonds went through, you knew your government was going to the country in about six weeks' time?

A.—I knew the election was pending, yes, but that had nothing to do with the matter if money was required.

Q.—You considered it a wise transaction and a prudent transaction?

A.—Are you speaking of the Ridout deal?

Q.—I will speak of them one at a time.

A.—I already said what I had to say in the House. I thought the Ridout transaction was indefensible. There was no occasion that I could see, for selling this loan to Mr. Ridout. There is no reason why the Deputy Treasurer could not have got on the train and gone to New York and sold this loan.

Q.—You attempted to avoid responsibility?

A.—I did not attempt to avoid any responsibility. Mr. Smith had the responsibility of his department, I had the responsibility of my department.

Q.—Then you had no responsibility as a member of the Treasury Board?

A.—Well, that is not an inference—

Q.—You simply signed anything that Mr. Smith suggested?

A.—That is not true.

THE CHAIRMAN: When Mr. McBrien was questioning you about the Gregory Commission you said every member accepted his responsibility as to the amount paid Mr. Gregory. Why should that transaction be any different than a Treasury Board transaction?

A.—What I said this afternoon?

Q.—When Mr. McBrien questioned you as to the amount paid by Mr. Gregory, one of your commissioners in connection with the great many matters which your government investigated. He tried to put his finger on the member of the Cabinet who made the recommendation and had agreed to pay him a certain amount per day in connection with this work, and you said that every member of the Government would have to take the responsibility, did you not?

A.—What I said was that the matter had been fully discussed in Council.

Q.—Fully discussed?

A.—Yes, by all the members of the Council, and I cannot tell which member of the Council it was who suggested the per diem allowance that was afterwards adopted. I am speaking of it without having seen the Order-in-Council. I would assume that the Order-in-Council came from the Prime Minister himself. I would think that would be his recommendation.

MR. MCBRIEN: But that matter was thoroughly discussed?

A.—That matter was fully discussed.

Q.—But a \$15,000,000 transaction was not fully discussed?

A.—Who told you that?

Q.—I am trying to get from you what discussion there was?

A.—If you will avoid telling me things you will get more from me.

Q.—I don't know, I think it is a pretty hard proposition getting anything from you, anything in connection with this \$5,000,000 issue sold to the Osler Hammond firm?

A.—That wasn't the first.

Q.—That issue for the \$5,000,000 issue—there were three \$5,000,000 issues—the one on May the 8th. Were you aware that this was being held by Mr. Ridout of the Osler Hammond firm?

A.—I knew nothing of that issue. I have no recollection of knowing anything of it until my attention was called to the Order-in-Council printed in the evidence before this committee last year.

Q.—You, however, knew Mr. Roadhouse?

A.—Casually.

Q.—You knew he was the treasurer of your political fund?

A.—I knew he was treasurer. Perhaps you might better say I understand he received certain moneys that were devoted to printing.

Q.—Don't you think that, on the face of it, it looks very suspicious?

A.—I cannot help what your suspicions are.

Q.—Just a few weeks before an election, that he should be given an opportunity to clean up \$50,000 for a few hours' work?

A.—I don't know anything about that. I don't think your statement is true, but I don't know anything about it.

Q.—You have read the evidence, are you questioning that?

A.—I don't know that I have read the whole of the evidence in the Public Accounts, I have read what interested me.

THE CHAIRMAN: It does appear that Mr. Roadhouse, the Treasurer of the U.F.O., immediately before the election in June, in the month of May, was given an opportunity to make \$50,000.

A.—Does Mr. Roadhouse's name appear there?

Q.—Yes, Mr. Roadhouse's name does appear here.

A.—Well, all right.

Q.—And what Mr. McBrien comments on seems to me to be the problem. The Committee are entitled to an answer on it. It is this, that the Treasurer of

the U.F.O. campaign fund, within a month preceding the election, and after the issue of the writs, was given an opportunity to make \$50,000?

A.—I don't know anything about \$50,000.

Q.—Well, it appears there.

A.—All right if it appears there. I am giving evidence of my knowledge, and I am telling you I don't know anything about this loan at all. At least if I did, I have forgotten about it.

Q.—You did know that Mr. Roadhouse was the treasurer of the campaign fund?

A.—Yes, I knew that.

Q.—And you did know that Osler & Hammond were given, or he was given an opportunity to make \$50,000?

A.—No, I did not.

Q.—You swear you did not?

A.—I swear I did not.

Q.—You swear you did not?

A.—So far as my recollection goes I don't know anything about it.

Q.—Did you or did you not? I cannot believe—

A.—I don't care whether you believe it or not, Mr. Finlayson.

Q.—I want you to answer.

A.—I will answer you.

Q.—You knew that Mr. Roadhouse was treasurer of the campaign fund?

A.—I told you I did.

Q.—And did you know that he was given an opportunity to make \$50,000?

A.—No, I do not.

Q.—You swear that?

A.—I swear that.

Q.—That you had no knowledge? Did you or did you not, that Roadhouse had something to do with this?

A.—With this loan?

Q.—Yes?

A.—So far as—

Q.—I don't know—

A.—Let me answer the question. So far as I know now—

Q.—So far as you knew then?

A.—So far as my recollection serves me—

Q.—Did you or did you not?

A.—You may browbeat me in the House, but you can't do it here.

Q.—I want to get the facts. Did you or did you not know in May, 1923, that Roadhouse was given this opportunity to make this \$50,000 for the campaign fund?

A.—I have answered your question.

Q.—That you don't remember?

A.—Yes.

Q.—All right, let it go at that.

A.—So far as my recollection serves me, and my memory is good, I never knew of that Order-in-Council, I never knew that Osler & Hammond had to do with the issue of bonds, never knew of the transaction until the other day when my attention was called to the Order-in-Council for the sale of that \$5,000,000 of bonds.

MR. WILSON: You knew that in May, 1923, the Government was doing business with the treasurer of the campaign fund?

A.—No, I did not. It would not have made any difference if I had. Mr. Roadhouse was an honest man.

THE CHAIRMAN: Mr. Raney, you remember what you said of the other deal?

MR. MCBRIEN: What difference is there between the Roadhouse and the Ridout transaction, they are both practically the same, are they not?

A.—I have never gone into the Osler & Hammond transaction at all. I know Osler & Hammond to be a highly reputable firm of brokers who do business on a definite, clear-cut commercial basis. I know nothing about this transaction. I don't know now whether it was an issue of Treasury bills or bonds.

THE CHAIRMAN: Treasury bills. Mr. Roadhouse made a trip to New York, just the same as was done in the Ridout deal. My general view is that in those Treasury bill transactions there is no reason for the intervention of a broker at all. I have stated that already.

Q.—You stated it would have been an easy thing to have called up Mr. Bradshaw, why didn't you do that? When you spoke in the House the other night you said it would have been an easy thing to have called up Mr. Bradshaw, or to go to any one of the great corporations?

A.—Well, all right.

MR. MCBRIEN: Did you ever consider the advisability of doing this business through the Bank of Montreal, or some large institution?

A.—I never entered into the details of the Treasury office at all any more than I entered into the details of the Highways Department, or into the details of the Provincial Secretary's Department.

Q.—You disclaim any responsibility as a member of the Treasury Board?

A.—I said I took full responsibility as a member of the Treasury Board.

Q.—Yet you never went into any details?

A.—I never went into the details of the sales. The Treasury Board was not required to do that. The duties of the Treasury Board are laid down here in the Statute.

Q.—Of making inquiries?

A.—Show me the provision that you are relying on.

Q.—I think you have read it, the purposes for which the expenditure is required. You have never yet told us for what purpose the expenditure was required?

A.—It did not come under that section at all. It is only where there is a controversy with the auditor.

MR. WILSON: Mr. Raney, how would a controversy with the auditor arise if they all acted as you did?

A.—Mr. Wilson, you are profoundly ignorant of the subject. You had better read the Audit Act.

THE CHAIRMAN: Does any other member of the Committee want to ask Mr. Raney anything?

MR. WILSON: I suppose you will agree that you were reasonably alive to seeing that there was observance of the laws of the Province?

A.—Oh, reasonably, I think, yes.

Q.—Yes. Can you explain how it was that all this violation of law and imprudent dealing took place, and escaped your attention entirely?

A.—Oh, yes, that is quite simple. Every Minister has his department. No Minister has a right to butt into another Minister's department. I had no right to go down to Mr. Smith's department and cross-question his deputies. If I had done so on one occasion, Mr. Smith would have complained to the

Prime Minister, and either he would have resigned, or I would have had to resign.

MR. MCBRIEN: Mr. Raney, were not you acting Premier when the \$10,000,000 issue was sold?

A.—I was presiding that day in the council. That would not make me acting Premier.

Q.—Someone had to assume the responsibility?

A.—That did not make any difference. The council authorized the sale of \$10,000,000 of Treasury bills at a certain price.

Q.—After proper investigation, in other words?

A.—After all the investigation that was necessary, assuming the honesty and competency of the man in the Treasury Department.

Q.—Repeat that?

A.—With all the investigation that was necessary, assuming the honesty and competency of the man in the Treasury Department.

Q.—Is it not necessary, even when dealing with honest men to make rigid investigation?

A.—In the government one Minister accepts the word of another Minister, otherwise governments could not go on.

Q.—In matters of \$15,000,000—

A.—Any amount at all, that does not make any difference.

Q.—It does not make any difference?

A.—Of course not. Should I have put a detective on Mr. Smith, do you think?

Q.—Have you no duty as a member of the Treasury Board to look into those things?

A.—The duty defined by the Statute. I have taken the trouble to cull the sections from the statute for your information. They are before you.

MR. WILSON: Don't you think, Mr. Raney, it would be your duty as a member of the Board, to exercise some mandatory power in matters of exchange or things of that sort?

A.—Certainly not, that is not one of the duties of the Treasury Board. Some members of the House apparently have the view that the Treasury Board is a sort of godmother to the Treasury. That is not so.

MR. MCBRIEN: It is a rubber stamp for the Treasury.

A.—The duties are defined by the Statute.

THE CHAIRMAN: They made recommendations to the council.

A.—On financial matters.

Q.—No, but on this matter?

A.—On that matter, yes.

MR. WILSON: I take it that the other members of the Board except the Treasurer are rubber stamps?

A.—You can take whatever you like.

Q.—Do you quarrel with that statement?

MR. MCBRIEN: You are forced to admit that allowing this rake-off or commission, or whatever you have a mind to call it, of \$50,000 was not good business for the Treasury Board?

A.—I said before, I have said it several times, that in my view in the matter of Treasury bills, I think there is no occasion for the employment of a broker. There may have been in the case of Osler & Hammond. I have not looked into that at all, but looking into the Ridout matter, as far as I could see, I could see no reason whatever for selling that issue to Mr. Ridout.

Q.—That was after the damage was done, you did not look into it before?

A.—You have heard of that several times.

MR. WILSON: Might I just ask this. As a member of the Treasury Board, I don't mean because you had any reason at all to suspect, but just the ordinary business acumen and mental activity that would be essential with a proposition coming before you, did you just accept the statement holus bolus, or did you make any inquiry, or do any calculating on your own account?

A.—We did what we thought was reasonable in every case.

Q.—And what was that, as far as you are concerned?

A.—The motive in the Ridout case was this: Those Treasury bills had been sold three days before the Order-in-Council was submitted to the Government and the Government was not told that the Treasury bills had been sold.

Q.—Did you make a protest?

A.—I didn't know anything about it.

Q.—When you learned of it?

A.—I did not learn of it until after the Government had gone out. I did not learn of it until a few months ago. We authorized Mr. Smith to sell this issue of bonds, this issue of Treasury bills at the price indicated in the Order-in-Council, and we assumed that he would get the best possible price for the Province. At that time Mr. Smith had been Treasurer for more than three and a half years. He wasn't a novice, and Mr. Smith is a man of good parts.

Q.—Mr. Raney, I hope as far as I am personally concerned, you will consider that I am not imputing any question of graft to you. I am not. I was with you, and I think I know you too well for that. But what I am trying to get at is this: Take a case between ordinary lay persons, don't you think that when a proposition of this magnitude is placed before you that you should exercise some care?

A.—What care can you exercise when you are doing business—

THE CHAIRMAN: If you had worked out those figures you would have seen it was an absurd proposition. In the first place the facts are not correct. The money was not required for the purpose, as required under the statute.

A.—It is quite easy, Mr. Chairman, after an event, after a bank manager has defaulted, or a bank teller has defaulted, for the bank president to see what he might have done to have prevented the thing from happening.

Q.—That is very true, it is easy to be wise afterwards, but an ordinary cursory reading of what you signed would show you?

A.—No, it would not.

MR. MCBRIEN: You had attended the Public Accounts of the previous year, and you knew that there had been certain accusations made against the Treasury Department, in the way of carelessness in the handling of certain financial business of this province?

A.—I never consistently attended the Public Accounts meetings. I may have been, and apparently the record shows I was occasionally present at the earlier meetings, but as for going to the Public Accounts and sitting there regularly I did not do so. I doubt if I ever sat through one, except during the time of the Lennox charges against myself. I was chairman of the Private Bills Committee. I came down, let us say, at 9 o'clock in the morning. I had my correspondence. I went to my committee at 10 o'clock. I stayed there, not always, until the committee rose, because I had to go to the Council meeting at 12 o'clock till 1 o'clock. There were usually people to see me, say immediately after luncheon. At three the House sat, and sometimes it sat at night. Well,

that is a pretty long day, and I was not required to attend the Public Accounts Committee and I did so very infrequently and did not keep track—

Q.—You cannot escape responsibility. They were busy then discussing on the floor of the House certain transactions made in the Treasury Board. Wouldn't that put you on your guard, a transaction involving \$15,000,000?

A.—I am not a superman, I can only be in one place at a time.

MR. WILSON: You were one of the three on the Treasury Board, and the only lawyer?

A.—Oh, read the Audit Act and find out what it says.

MR. MCBRIEN: He cannot escape responsibility by hiding behind this.

MR. RANEY: Mr. McBrien, you are just as offensive now as you usually are.

MR. WILSON: What proportion of the expenditures of the year would \$15,000,000 be?

A.—I don't know, figure it out yourself.

Q.—Perhaps you can help me. Have you some recollection of what it would be?

A.—I don't know whether that money was required for re-financing. You don't reckon expenditures, simply current expenditures. Well, the current expenditure was \$45,000,000 last year, something like that.

Q.—Take \$45,000,000?

A.—I don't know what it would be. It might have been \$100,000,000 a year.

Q.—\$15,000,000 would be one-third of that. Suppose you are in partnership with someone in your practice, and you leave to him the financial affairs of the office. He comes to you with a proposition that involves one-third of your total current expenditure?

A.—Don't put the question in a foolish way.

Q.—And he comes to you with an expenditure that involves one-third of your total annual current expenditure. Although you have given him the looking after of the financial affairs of the office wouldn't you make some special inquiry on your account?

A.—Your question is not properly framed.

Q.—Take that case, what would you do?

A.—This was not current expenditure at all.

Q.—Take that to get at the proportion?

A.—Well, that question is foolish because it has no relation to facts.

Q.—Will you please answer that question, what would you say about that particular case?

A.—All I say, Mr. Wilson, is that we made, and I made, the inquiries that I thought were necessary.

Q.—What were they?

A.—I told you before that I have no recollection of this transaction distinct from that of many other transactions of a similar nature.

MR. MCBRIEN: In other words, if you had been on your guard you could have saved this Province \$150,000 in those three transactions, approximately, if the business had been done legitimately?

A.—You go up and make that speech in the House, if you want to.

Q.—I am making it now.

THE CHAIRMAN: We want questions not speeches.

MR. PRICE: Mr. Chairman, I would not like Mr. Raney's statement on the Treasury Board to go without an answer.

Q.—I just want to ask you a question. You said this morning that the Treasury Board and the Cabinet Council met together?

A.—Yes.

Q.—So that the consideration of these issues would be before the Cabinet and Council at the same time?

A.—Yes.

Q.—And on the \$10,000,000 transaction you were in charge when it was considered, that is right?

A.—Yes.

Q.—And in the \$5,000,000 transaction you were not, that is, on May 8th you were not at the Council?

A.—Apparently not.

Q.—So I think that is a fair statement, whether it was the Treasury Board or not it was considered in council?

A.—Which one?

Q.—Well, both of them considered in council, you were chairman?

A.—I wasn't apparently present at one of them, the \$5,000,000 issue.

Q.—You were present as chairman when that \$10,000,000 issue was considered, that is right, isn't it?

A.—That is so, yes.

Q.—Then you were not present when the \$5,000,000 issue of May 8th went through?

A.—That is so.

Q.—Mr. Drury was chairman?

A.—Apparently so.

MR. RANEY: Now, someone, I think it was Mr. McBrien, connected my name with the Provincial Securities Company. Perhaps he would like to inquire about that. If so, I would be glad to tell him. Something was said about Mr. Browning.

THE CHAIRMAN: What, that again?

A.—I said that Mr. McBrien, I understood, in fact I heard it, in some of his questions addressed to one witness—it was Mr. Nash I think—connected my name with the Provincial Securities Company, and if he has any questions to ask in connection with that matter I will be glad to answer them.

Q.—You opened up negotiations with Mr. Browning as to a position in your department, did you not?

A.—Mr. Browning applied to me. Mr. Browning had been Crown Attorney at North Bay a number of years ago. So far as my memory serves me, I never met him. Afterwards he went to Alberta and became Deputy Attorney-General, and had charge of the liquor law enforcement there. He wrote to me early in my term of office saying that he would like to move east and wanting to know if I could place him in my department. I could not at that time. Afterwards, I brought Mr. Cuddy of the Alberta Provincial Police here to be deputy superintendent of police, and the question was raised again in this way: I wanted a man to take charge of the liquor law enforcement in Ontario instead of employing a dozen lawyers over the Province, I wanted one man, and I took the matter up with Mr. Browning after discussing it with Mr. Cuddy who knew Mr. Browning in Alberta, and we offered him the position, and with some hesitation he accepted, by letter, I think it was, he gave me the positive acceptance, his employment to commence, if I remember right, on the first of September, 1923.

Q.—At what salary?

A.—Oh, I think it was \$4,000 or \$4,200.

HON. MR. PRICE: \$6,000 wasn't it?

A.—Oh, no, it was not. It was \$4,000 or \$4,200, and that was all I knew about it.

Q.—Did you know he was the father-in-law of Harris?

A.—I did not know. I did not know Harris. I did not know Harris at any time, never met him.

Q.—Didn't you know he was interested in some of the Harris companies?

A.—Absolutely not.

Q.—Just a coincidence.

A.—Whatever you choose to call it.

Q.—What do you call it?

A.—I don't call it anything.

Q.—And the salary, what did you say the salary was?

A.—My recollection is \$4,000 or \$4,200.

Q.—Recommended by any of the members of your cabinet?

A.—Recommended by me to the Government.

Q.—Who recommended him to you?

A.—I said I knew him by reputation. I heard that he had been a very efficient officer in Alberta. I discussed the matter with Mr. Cuddy, who knew him intimately in Alberta and he said he was a very excellent officer.

Q.—You did not know that he had been mixed up with those bonds?

A.—I did not know.

Q.—Did W. J. Curry write a letter on his behalf to you?

A.—Mr. Walter Curry?

Q.—Yes.

A.—To me?

Q.—Yes.

A.—I don't recall. I don't think so. I have no recollection.

MR. MCBRIEN: Did any other member of the Cabinet ever recommend him to you?

A.—No.

Q.—He practiced where?

A.—He practiced in North Bay. He was just then finishing his employment as Deputy Attorney-General in Alberta and had decided to come east, as I understood.

HON. MR. PRICE: Mr. Raney, he was a member of the Browning Harris firm in 1921. Wasn't he east then?

A.—I don't know.

Q.—He could be a member of that firm and still be Deputy Attorney-General?

A.—He was Deputy Attorney-General until just before my communication with him.

MR. MCBRIEN: He is described as living in Hamilton, I think, in the Return?

A.—The Return of what year?

Q.—1921, filed in 1922?

A.—Well, he was in Alberta, I am quite sure of that. My correspondence was there. His wife may have lived in Hamilton, I don't know.

HON. MR. PRICE: Did Walter Curry recommend Mr. Cuddy?

A.—Yes, he did.

Q.—And Cuddy recommended Browning?

A.—Well, whether Cuddy recommended Browning or whether I inquired of Cuddy, I don't know. I knew Cuddy, of course, had been in Alberta.

MR. MCBRIEN: Didn't Curry introduce you to this man Ridout?

A.—I said this morning that Mr. Curry brought Mr. Ridout to my office on one occasion in 1922 in connection with the Insurance Savings scheme.

Q.—You seemed to value Mr. Curry's recommendations very highly.

A.—Mr. Curry made very few recommendations to me. I do not recollect any other except Mr. Cuddy.

Q.—And Mr. Browning?

A.—He did not recommend Mr. Browning, so far as my memory serves me.

Q.—And Mr. Ridout?

A.—He did not recommend Mr. Ridout to me for any appointment. He came to see me.

Q.—Regarding Mr. Ridout?

A.—Regarding the Insurance Savings scheme.

Q.—Were you aware at the time that Mr. Curry was the solicitor for this insurance savings scheme, that he had incorporated this company?

A.—I said this morning that I thought I had been told he had incorporated the company.

Q.—And he only collected his fees after Ridout put this transaction through with your government?

A.—I know nothing about that.

Q.—It is all in the Public Accounts?

A.—That is all right, I don't know anything about it.

Q.—I don't think you want to know some of these things?

A.—It is the privilege of youngsters to insult elders.

Q.—Not necessarily, but a man in public life surely should read the Public Accounts?

THE CHAIRMAN: Is that the end of this examination?

MR. RANEY: I am here now to answer questions. I said I would come and submit myself to cross-examination.

THE CHAIRMAN: You have done that, Mr. Raney.

MR. RANEY: You are one of my accusers, too, Mr. Chairman.

MR. WILSON: Do I understand, Mr. Raney, that this is a sort of a blanket statement you want to make. I notice you have notes in front of you. I notice you are rather leading Mr. McBrien to question you?

THE CHAIRMAN: Is there anything else, Mr. Raney?

MR. RANEY: I just want to call the Committee's attention to this language used by Mr. McBrien before this committee the other day when he cross-examined Mr. Drury. He said: You had no knowledge (speaking to Mr. Drury) that there was an agreement that this profit was to be split, \$45,000 to Ridout and \$45,000 to campaign funds? And Mr. Drury said, None. And Mr. McBrien said: You swear that? And Mr. Drury said, Yes. And Mr. McBrien said: You have no knowledge of Mr. Raney having refused to take the money for a campaign fund on account of Ridout's having fluked the thing through, having deposited the money in his own bank where it could be easily traced?

Now, I am rather surprised that Mr. McBrien has not asked me any questions about that, and I ask him now if he intends to call any evidence before this committee to support that imputation. He went on to say: You don't know of any row between Mr. Ridout and any member of your cabinet over his making such a break? Mr. Drury said absolutely none. And Mr. McBrien said: You

had better be here Wednesday morning, that is to-morrow morning. Now, I would ask Mr. McBrien if he has any evidence to support that charge.

MR. WILSON: To justify the sworn conclusion?

A.—To justify the imputation on me that this \$90,000 of money was to be divided, \$45,000 to Ridout and \$45,000 to a campaign fund, and that there was a row between Ridout and me because Ridout had deposited the money in a bank where it could be traced. Mr. Treasurer, if you will leave Mr. McBrien alone—

MR. MCBRIEN: Do you know anything about the campaign fund?

A.—No, except I know one thing, that Mr. E. E. Whitney, of Ottawa, was a generous contributor. I know another thing, that we did not have enough money to pay for our printing.

Q.—Then you know very little about the campaign fund?

A.—That is all I know about it.

Q.—Then it is possible that other members of your cabinet know a great deal more than you know about the campaign fund?

A.—All right, I am asking you now, Mr. McBrien—

Q.—I am not being cross-examined by you?

A.—I ask you now whether you have any evidence to support the imputation.

Q.—I will call my witnesses in due time.

MR. RANEY: I am asking Mr. McBrien now if he has any evidence to submit to this committee to support this imputation.

THE CHAIRMAN: You are submitting to cross-examination. That is the purpose of the inquiry at present.

MR. RANEY: I know, Mr. Finlayson. You are also one of my accusers. I am bearing that in mind.

THE CHAIRMAN: Mr. Raney, I am trying to be fair. You are a witness at present, and Mr. McBrien has been asking questions. At the proper time you can examine him.

MR. RANEY: I suppose my examination is over then.

HON. MR. PRICE: Mr. Chairman, I take it, from what Mr. Raney read, that that was a question Mr. McBrien asked, not a charge?

A.—What question?

Q.—What you read from the paper?

A.—My examination is over, is it, Mr. Chairman?

THE CHAIRMAN: As I understand it, we are through.

MR. WILSON: I understand you have no knowledge of the campaign fund except what you have told us?

A.—Yes, that is so.

Q.—Did you know that there was a treasurer for the fund?

A.—I have said that.

Q.—And you knew at the time?

A.—I knew that before the election. Mr. Wilson, while we are here, why is this committee not inquiring into the Conservative campaign fund?

Q.—You are giving evidence?

A.—I know that.

Q.—Well, you should not ask questions till you get out of the box.

MR. MACBRIDE: Shortly before the last provincial election you left for Atlantic City. I am not inquiring into personal matters at all, but I want you to answer this question. Was there some difficulty in the Cabinet which prompted you to go to Atlantic City?

A.—Not the slightest difficulty, Mr. MacBride, in the world, except the difficulty created by my announcement that I was going to retire. That was the only difficulty.

Q.—You knew, of course, that the fate of the Government was hanging in the balance?

A.—An election is as uncertain as a horse race.

Q.—And your dealing with the Ontario Temperance Act—

THE CHAIRMAN: Mr. Raney explained that this morning.

MR. MACBRIDE: Mr. Chairman, I am endeavouring to act as any member of this committee should act, and if you want to confine the cross-examination to one or two, all well and good.

THE CHAIRMAN: Oh, no, but I gathered you did not hear what was said this morning in regard to that.

MR. MACBRIDE: I have been here constantly.

Q.—Did you actually decide to resign and not to run when you went away that time?

A.—I wrote a letter to the Prime Minister advising him that I would not be a candidate for re-election.

Q.—You had actually decided to retire with the Government facing the country?

A.—I have told you that I did. I wrote a letter to the Prime Minister saying I would not be a candidate for re-election.

Q.—I thought you were so interested in the O.T.A. that—

A.—Now, then, Mr. Chairman, I desire to be definite about those things. My honour has been assailed, my honesty has been assailed on the floor of the House and in this committee.

THE CHAIRMAN: Mr. Raney—

MR. RANEY: Pardon me, Mr. Chairman, I have the floor.

MR. MCBRIEN: Are you making a motion or making a speech?

THE CHAIRMAN: We laid down a rule last year, at Mr. Sinclair's suggestion, that there should be no political speeches.

MR. RANEY: I am not going to make a political speech.

MR. WILSON: The other day when I tried to speak I had to make a motion.

MR. RANEY: I want now, Mr. Chairman, to know whether there is going to be any evidence submitted to this committee to support the imputation which has been made against me in this House and in this committee. If so, I want to know when the matter will proceed. I am prepared to proceed now. I just want to remind Mr. McBrien of his accusation, the accusation that the \$90,000—it was given by him as \$90,000—was to be split between Ridout and a campaign fund, and that I refused to take the money for the campaign fund on account of Ridout having deposited the money in his own bank where it could be traced. Now, that is an accusation against me, of being a party to a conspiracy, to a conspiracy to graft on the Province, and I ask Mr. McBrien now whether he is going to bring any evidence to substantiate that charge.

MR. MCBRIEN: I was cross-examining and I have a right to ask any question I like, and when a bond transaction is put through six weeks before an election in which this Province is cleaned out of \$150,000, I think a man is justified in asking any question in connection with it, especially a bond transaction—

MR. RANEY: Mr. Chairman, will you be good enough to ask this gentleman, Mr. McBrien, whether he proposes to bring before this committee any evidence to substantiate those charges.

MR. MCBRIEN: I repeat, Mr. Chairman, that I have made no charges. I have simply put questions to the honourable gentleman as I think I rightly should. I have a perfect right to ask questions. He will have all the evidence he requires and a good deal more before this inquiry is over.

MR. WILSON: Were those charges made while Mr. McBrien was asking questions?

MR. RANEY: Yes, they were made as part of his questions.

Q.—Then let me ask you this: do you take it that when a lawyer is examining or cross-examining a witness that a charge is implied and stated in his questions; what do you say about that?

A.—The language is quite clear.

Q.—I have asked you if you necessarily imply in a question, either in an examination or cross-examination, by a lawyer or anybody else, when he is questioning a witness, a charge. You said these have been made while he was examining a witness. Why do you say those are charges?

A.—If you will listen while I read it you will see.

THE CHAIRMAN: As I understand, Mr. Raney's examination and explanation is over.

MR. RANEY: Mr. Chairman, will you allow me to ask you and the Treasurer beside you—you both made accusations against me in the House, and I asked the both of you whether you intend, Mr. Finlayson, or Mr. Price, to bring before this committee evidence to substantiate the charges made.

THE CHAIRMAN: Mr. Raney, if you are asking me you are going to get an answer.

MR. RANEY: Go ahead.

THE CHAIRMAN: Well, my answer is this, that you were acting Premier, and you were guilty of the loss of \$150,000 to this Province, and I put it right up to you and say you have made no satisfactory explanation of it.

MR. RANEY: I did not ask you that. My question to you was whether you were going to bring any evidence before this committee to substantiate your charge or your suspicion.

THE CHAIRMAN: My answer to that is this, that the proof of it is your own signature, and your own gross negligence.

MR. RANEY: If that is all you mean, all right.

THE CHAIRMAN: And I may produce more evidence at any time.

MR. RANEY: I know what you mean.

THE CHAIRMAN: I know the Province lost the money through your negligence.

MR. RANEY: The Treasurer said, concluding his statement, "if they want suspicion there it was." Now, I ask the Treasurer if he is going to bring in the evidence.

MR. PRICE: I have said very little, and I think I have handled Mr. Raney with a very great deal of courtesy. I do not think I am very far afield in the matter.

MR. RANEY: I am talking about what you said in the House.

HON. MR. PRICE: I want to say now, Mr. Chairman, that Mr. Raney has cast suspicion on everybody on our side of the House, and me in particular, and he stood there as if there was not a suspicious circumstance in all his record. I want to point out to him that there were a lot of suspicions, and that the suspicions came from the records. We do not need to bring in any evidence. The record is all there.

THE CHAIRMAN: Surely, gentlemen, this unhappy interlude is over. Let us get down to business. What is the next business?

FRANK C. BIGGS, sworn.

THE CHAIRMAN: Is there any arrangement that anyone is going to examine you?

MR. BIGGS: Mr. Chairman, I think that probably would be the better way. I have no one to examine me. I stand alone as far as the matter is concerned.

THE CHAIRMAN: We want to be fair to you. If Mr. Raney was assisting you I was going to suggest that he go ahead. Do you want to make it in the form of a statement?

MR. BIGGS: I am going to make a short statement, but it is my intention also to read a letter which I have here, and then if the Committee wish to ask questions, I will endeavour to answer them the very best I can. I may say, Mr. Chairman, that I hope the general feeling of the committee will, at least, blow the clouds away before they start examining me. I will read this, Mr. Chairman:

"The statement of transactions by myself as made by Mr. Nash in evidence being entirely new to me, I have endeavoured to trace all possible sources of information regarding these transactions and I have not been able to find any record of purchase or sale or any connection whatever (and this applies to my family as well as myself) regarding bonds as once held by the Provincial Securities Co.

But I will try to make clear some transactions that I had with the company of Mr. Harris in Hamilton, and at this stage I wish to state that I have been doing business with Mr. Harris and his company for a long period of time, extending back long before I was a member of the House or a member of a government.

It is set forth in Mr. Nash's statement, exhibit 191, that on February 1, 1921, I purchased and paid for, by draft, \$20,000 of Province of Ontario six per cent. bonds, February 1, 1941. I also owned some Victory bonds at that time. Wishing to increase the interest yields of my holdings, I approached Mr. Harris in Hamilton, regarding a new issue of Arcade bonds, which I think was being placed on the market about this time by his firm. This being a Hamilton enterprise, and the issue being highly spoken of by Mr. Harris and others that I discussed the matter with, I decided to exchange \$10,000 of the Province of Ontario bonds that I had purchased some three or four months previous, and which had advanced in price, showing me a fair profit, along with some Victory bonds which were yielding a much lower rate of interest for Arcade bonds yielding seven and one-half per cent. and some Alberta Greater Waterways Ry. Co. bonds.

Mr. Nash's statement shows that I received these "bonds on various dates between May and September of 1921. Mr. Harris turned these bonds over to me, as he had them ready for delivery, at which times I turned in an equal amount of my bonds for the delivery made by Mr. Harris to me.

How the bonds held by the Provincial Security Co. appear to have been sold to me is a matter entirely beyond my knowledge, nor have I been able to trace any connection regarding any such transaction. Previous to session of 1924, I did not know that there had ever been such a company in existence as the Provincial Securities Co., and all I can say is that I have not been

able to trace, nor can I remember ever owning or having in my possession a Province of Saskatchewan or a Winnipeg bond in my life.

I know nothing of Mr. Harris' system of bookkeeping, but I do know that Mr. Harris delivered to me the bonds purchased by me, and in return I delivered the bonds which I agreed to give him in exchange as previously explained, and I am in no way responsible for any bookkeeping entries which may appear in Mr. Harris' books."

That is my general statement, Mr. Chairman. You might look at this letter. I have a copy of it here from which I will read.

HON. MR. PRICE: What is that you are reading from?

A.—A letter from Mr. Harris. It is dated the 28th March. That was the day following the Public Accounts Committee, and I may say that I did not get this letter in my mail at my home on account of it being rural delivery. It was posted apparently a week ago in New York City, and I did not receive it until last Friday, when I went home. I imagine it was probably in the box Monday.

Q.—This was when?

A.—Just this last week, 1925.

Q.—We have a letter from Mr. Harris, from Mr. Browning, that Mr. Harris is ready to appear.

A.—This letter was written, apparently, on the evening that the Public Accounts Committee met.

Q.—Is this any evidence, Mr. Biggs?

A.—That is quite material evidence.

Q.—I do not see how it could be evidence, Mr. Biggs. Is Mr. Harris coming here?

A.—I don't know whether he is or not.

Q.—If Mr. Harris is coming here, I presume he would be the proper one—

A.—Don't be alarmed that I may get any evidence in.

"Dear Mr. Biggs:

I have just finished reading an account of the Public Accounts Committee and no doubt you are worried, not understanding the evidence as submitted by Mr. Nash in connection with the bonds held by the Provincial Securities Co., and appearing as having been sold by you to my Hamilton firm. As events have turned out, I should have mentioned this to you at the time, but did not consider it necessary, as the transaction I had with you then was completed.

If my memory serves me correctly you turned in a block of bonds, purchasing from me some new Arcades and others. Before these entries were made in our books, the bonds, as turned in by you, were replaced by me with some of those of the Provincial Securities Co. and so entered.

I am awfully sorry this has turned out as it has, and hoping it will not cause you any inconvenience."

Now there is the original letter. You can prove the writing by the exhibits of Mr. Harris:

HON. MR. MCCREA: You are not swearing as to the accuracy of the facts in the letter?

A.—Not at all. They are under his signature, and that is as far as I can go. I know nothing of it further than that.

HON. MR. PRICE: I would like to see your statement, Mr. Biggs, I would like to cross-examine. Does that finish your statement, Mr. Biggs?

A.—Yes, Mr. Treasurer.

Q.—Mr. Biggs: last year before the Public Accounts Committee rose, you were in the box and gave some evidence?

A.—Yes.

Q.—And did you say at that time that you did not know anything about the Provincial Securities Co?

A.—Last year?

Q.—Yes.

A.—Well, I have not reviewed the evidence, Mr. Treasurer.

Q.—You do not need to review the evidence?

A.—No, I did not know.

Q.—You did not know there was a Provincial Securities Co. in existence?

A.—No.

MR. RANEY: You mean before that time?

HON. MR. PRICE: When he gave evidence before the Public Accounts Committee last year.

Q.—And wasn't it you that introduced Mr. Harris to Mr. Smith?

A.—I did not introduce Mr. Harris to Mr. Smith.

Q.—Did you give him a letter of introduction to Mr. Smith?

A.—No, I did not.

Q.—Did you go up with Mr. Harris at any time to see Mr. Smith?

A.—I was never in Mr. Smith's office with Mr. Harris.

Q.—You knew Mr. Harris quite well?

A.—Oh, yes, quite well. I said last year he was the manager of the Royal Bank in Dundas, but I never did business in his bank at Dundas. I also went through the Victory loan campaign with Mr. Harris.

Q.—And you had done business with his firm?

A.—Over a term of years.

Q.—You had an account with him?

A.—Yes.

Q.—For a number of years you had done business with his firm?

A.—Yes.

Q.—And you had an account with his firm?

A.—Well, call it an account with his firm if you like, or I did business with his firm.

Q.—Well, now, having done business with his firm, Mr. Biggs, don't you think it is rather an extraordinary thing, with Mr. Nash's report here, that there is no record of your transaction?

A.—I was much surprised to find last year at Public Accounts—

Q.—Just answer the question?

A.—Yes, I would say it is extraordinary.

Q.—It is a very strange thing that in a brokerage firm with which you did business for three or four years, there is no record of your transactions, and as soon as the Public Accounts Committee rose last year, did you point that out to Mr. Harris, that it put you in a very bad position, the ledger sheets were missing in connection with your transaction?

A.—I think last year I said I was very sorry that the ledger sheets were missing in connection with my account, and would very much prefer that they were all there.

Q.—How would you explain, Mr. Biggs, that these ledger sheets were missing just when it came to your account?

A.—I have no idea, Mr. Treasurer. I have no idea of Mr. Harris' type of bookkeeping, or the loss of any of his ledger accounts at all.

MR. RANEY: Is it established that no other ledger sheets are missing?

HON. MR. PRICE: I think there were some other sheets missing, but in every case, Mr. Biggs' were missing.

A.—Mr. Nash in evidence said he did not know how many people's accounts were missing.

Q.—In every case your ledger sheets are missing and that is one of the very suspicious circumstances in connection with this matter. Did you go then to Mr. Harris and examine the books of the company, the Provincial Securities Company?

A.—No, I did not examine the books of Mr. Harris. I think the books of Mr. Harris were in the possession of the accountant, or your government auditors.

Q.—Well, did you go to Mr. Clarkson then with Mr. Harris to examine them?

A.—No, I did not.

Q.—Have you any explanation of how it happens that all these ledger sheets, when it pertains to you, are missing?

A.—Absolutely none. I know nothing of Mr. Harris' books or his system of doing business.

Q.—Well, then, you make the contention there that you bought a certain amount of Victory bonds, was it?

A.—No, I bought a certain amount of Arcade bonds.

Q.—Arcade bonds. How much did you have invested in Arcade bonds?

A.—The most I ever had invested in Arcade bonds was, I think, \$20,000.

Q.—Are you sure it is not more than that, \$40,000?

A.—No.

Q.—The most you had at any time invested in Arcade bonds was \$20,000?

A.—Yes.

Q.—When did you make payment of that \$20,000?

A.—I made payment by dealing in Province of Ontario and Victories.

Q.—For the total amount, \$20,000?

A.—Yes.

Q.—Well, then, we have got that pretty well identified, that you put in Province of Ontarios and Victories to buy in Arcades. And in those bonds that you were supposed to have drawn out or sold to Browning and Harris, you sold a certain number of Saskatchewan?

A.—So the books show.

Q.—Yes, that is what the books show. They show that on the day after Harris signed for 2,000 Arcades from the Provincial Securities Company, that the same amount, and the same issue, the same rate of interest and everything was sold by you to Browning and Harris?

A.—I say I did not sell them to Browning and Harris.

Q.—Well, about the only record that the Browning and Harris books seem to have, there are a couple of transactions where you sold those bonds apparently to them.

A.—What was the evidence?

Q.—You are not asking me questions.

A.—You put them so that I can answer them.

Q.—Well, I am asking you. On the day after Harris signed for these 2,000 Saskatchewan at the Provincial Securities Company you sold the same amount of

Saskatchewan to Browning, Harris & Company, that is, the books show that you made a sale of 2,000 Saskatchewan. Now, just tell the Committee what is your explanation of that?

A.—That is largely covered, Mr. Treasurer, in the statement that I made.

Q.—I don't think the statement touches it at all. This is a specific transaction. There are several others. There are Saskatchewan, Winnipegs, and all of those various issues that were sold to Browning and Harris after Harris had withdrawn them from the Provincial Securities Company. Now, I want to know your specific explanation of how those items appear in the Browning-Harris books. Take the Saskatchewan first?

A.—Take any one you like. How the bonds held by the Provincial Securities Company appear to be sold by me is entirely beyond me.

Q.—You have never been able to trace any connection at all, these various transactions?

A.—None whatever.

Q.—You cannot say. You mean to tell the Committee then you cannot say whether you sold 2,000 Saskatchewan to Browning, Harris Company or not?

A.—I said in my statement I cannot remember ever having any, or having in my possession, Province of Saskatchewan bonds at any time in my life.

Q.—Yes. Well, then, did Mr. Harris take the Provincial Securities Company 2,000 Saskatchewan down to his office in Hamilton, and turn over 2,000 to you?

A.—Mr. Harris, apparently, as I needed my bonds, or rather, as I handed my bonds in for exchange for Arcades, that is, the Ontarios and Victories, in his letter he says he inter-changed them with himself, and then entered up as sold by me, the bonds inter-changed from the Provincial Securities Company.

Q.—Now, why didn't Mr. Harris say that last year?

A.—Because probably he wasn't asked.

Q.—Why didn't he say that last year. He was here and we grilled him for hours, and we asked him to explain those things and he had no explanation at all.

There is no explanation at all last year. Now, do you mean to say that a letter written from New York by Harris, at this late stage of the game, stating that he has mixed up those securities, is any good when he was here on oath, and every member of the Committee knows, who was here, for days?

A.—I have just as much right to believe that as the items in his books. The letter is written by the same man who made the entries in the books apparently.

Q.—Now, Mr. Biggs, we have got something here in Public Accounts. Let us see the record of the Public Accounts Committee, 1924, at page 656. Mr. Curry was examining and you were in the box. You were answering the questions. Mr. Curry said:

"If it had been properly handled and cared for would have gone to help out the other companies you said, now did you introduce Harris to Hon. Peter Smith?

A.—No, sir.

Q.—We don't seem to have anybody introduced him to the honourable Peter Smith. Did you come down here with Harris and go up to Mr. Smith's office?

A.—No, sir, I was never in Mr. Smith's office with Mr. Harris.

Q.—Are you quite sure?

A.—I am quite sure about it.

Q.—That is a very important thing. You knew that Browning, Harris Northey & Co. was carrying on business with the Province?

A.—I did after a considerable period.

Q.—But you were there. You knew this Provincial Securities Company were carrying on business because you were at the council meetings that passed it?

A.—Yes, sir."

MR. RANEY: That passed what?

HON. MR. PRICE: Wait now.

"Q.—Well, didn't you know the connection between these two companies?

A.—No, sir, I didn't at that time know the connection.

Q.—When did you get to know that?

A.—I cannot tell you offhand.

Q.—When did you get to know the Provincial Securities and Browning, Harris, Northey were one and the same thing?

A.—I cannot answer the question definitely. It became my knowledge—it is back over a considerable period.

Q.—It has been carried on writing in the Department?

A.—It was not carried on in my department."

Now, that does not jibe very well with what you swore to a few minutes ago?

A.—I want to have a look at that.

Q.—Here it is, at page 656. Now, Mr. Biggs, it is quite evident that you did know a year ago about the Provincial Securities Company, because you swore then it was back some considerable time?

A.—It all depends on the question you are answering there, Mr. Treasurer.

Q.—It is quite plain?

A.—It may be to you when you have got it very carefully framed in your mind. Very plain, I don't think.

Q.—Just get down to this—

A.—We are going to keep right to that.

"Q.—Did you come down here with Harris and go up to Mr. Smith's office?

A.—No, sir, I was never in Mr. Smith's office with Mr. Harris.

Q.—Are you quite sure?

A.—I am quite sure about it.

Q.—That is a very important thing. You knew that Browning, Harris, Northey & Co. was carrying on business with the Province?

A.—I did after a considerable period.

Q.—But you were there. You know this Provincial Securities Company were carrying on business because you were at the council meetings that passed it?

A.—Yes, sir.

Q.—Well, didn't you know the connection between these two companies?

A.—No, sir, I didn't at that time know the connection.

Q.—When did you get to know that?

A.—I cannot tell you offhand.

Q.—When did you get to know the Provincial Securities and Browning, Harris, Northey were one and the same thing?

A.—I cannot answer the question definitely. It became my knowledge—it is back over a considerable period.

Q.—It has been carried on writing in the Department?

A.—It was not carried on in my department.

Q.—You might not know about it, but it was being carried on?

A.—I cannot answer that question in any form at all.

Q.—Did Harris tell you the nice profit you were making on this?

A.—No, sir.

Q.—You were an old friend and you dealt through the Government. Don't you think Harris would tell you?

A.—I don't see why Harris should tell one of his clientele what business he is carrying on with the Government.

Q.—You were more than a 'clientele.' You were a man who had lost \$10,000, or your wife, \$10,000 in the original incorporation, and you hoped to be recouped, wouldn't it be natural for Harris to thank you and the Government for giving you this nice business?

A.—He might thank the Government, but he cannot thank me. It was not my department, nor was I associated in any shape or form.

MR. RANEY: You signed the Order-in-Council?

A.—I didn't sign any Order-in-Council.

Q.—You were in when it was passed?

A.—Quite so."

MR. BIGGS: Just a minute now, Mr. Treasurer.

MR. RANEY: Is there any Order-in-Council identifying any sale to the Provincial Securities Company?

HON. MR. PRICE: Yes, there is an Order-in-Council providing for the sale to the Provincial Securities Company.

MR. RANEY: Naming the price.

HON. MR. PRICE: Yes, naming the price.

MR. BIGGS: There is a sale.

HON. MR. PRICE: Yes, a sale to the Provincial Securities Company.

MR. RANEY: That is very unusual, isn't it?

MR. BIGGS: What did the Provincial Securities buy? You say a sale to them. What did they buy?

HON. MR. PRICE: They bought succession duty free bonds.

■ ■ ■ A.—That would be a sale by them to the Province. Quite so.

■ ■ ■ Q.—Now, which horn of the dilemma, Mr. Biggs, do you want to stand on?

■ ■ ■ A.—There are no horns to this dilemma, Mr. Treasurer.

■ ■ ■ Q.—That you did not know of this Provincial Securities Company, or that you did know.

■ ■ ■ A.—I did not know of the Provincial Securities Company doing business with the Province as far as succession duty free bonds is concerned.

■ ■ ■ Q.—But you claimed that you did not know of its existence?

■ ■ ■ A.—Not quite, I did not know of its existence.

■ ■ ■ Q.—You did not know that the Provincial Securities Company were in existence at the time it was doing business with the Province?

■ ■ ■ A.—No.

■ ■ ■ Q.—Then when did you get to know that it was doing business with the Province?

A.—I had no knowledge the Provincial Securities Company were doing business with the Province till you made the statement on the floor of the House last year.

Q.—Then when you say here "it was back some considerable time," what did you mean by that?

A.—Are you sure that that does not refer to the other company?

Q.—Well, it looks here as though you were referring to the Provincial Securities Company?

A.—I don't know whether it looks like it or not, but I think it refers to the other company entirely.

Q.—Let us get it again:

"When did you get to know the Provincial Securities and Browning, Harris, Northey were one and the same thing?

A.—I cannot answer the question definitely. It became my knowledge—it is back over a considerable period."

A.—Yes.

Q.—Now, you do not want to go back on that, do you?

A.—I am not going back on anything, Mr. Treasurer, as far as that is concerned.

Q.—You were quite positive a few minutes ago?

A.—I think we had answered this, that is, that I did not know of the Provincial Securities Company doing business with the Government.

Q.—I think the Committee have got that pretty fair. They know what you swore to this year and what you swore to last year. Let us get back to those various issues. Let us see what you actually did, and what your explanation is, and what your frank statement is. Did you hold Grand Trunk Pacific bonds, Mr. Biggs?

A.—Not at that time, I don't think.

Q.—During the time of the Provincial Securities Company, did you hold Grand Trunk Pacific bonds?

A.—Not that I am aware of.

Q.—Well, now, we find that on the 22nd of June, 1921, 500 pounds of Grand Trunk Pacific bonds were bought by Browning, Harris, Northey & Company from F. C. Biggs. The security register of the Merchants Bank gives the number of these bonds that you sold, and we find that on the day before that, Harris drew these bonds from the Provincial Securities Company?

A.—Yes. We had that on the same strength of evidence as we had the letter written, Mr. Treasurer, exactly.

Q.—That is right, but the letter was written when everything got in a muddle, because we made up his record of business transactions. That is a different thing. Now, do you say, Mr. Biggs, that the record is wrong in the Browning, Harris books that shows that you sold on June 22, 1921, 500 pounds of Grand Trunk Pacific bonds?

A.—I would say so. I would say the books of the Browning, Harris Company do not show that I sold it. You have a memo. here of some kind that shows it.

Q.—There is a record of ledger accounts that are missing. There is a record there that shows on page 49 of the ledger of Browning and Harris, from May 5, 1921, on, and it shows No. 160 bought from F. C. Biggs 500 pounds Grand Trunk Pacific bonds at par, 1955, prairie section, guaranteed by the Grand Trunk Railway, interest at eighty-two days four per cent. They figure out the

interest right to the time, and the total amount apparently is \$1,455.55. Now, Mr. Biggs, do you say that the record in the Browning, Harris books is an entry that is wrong?

A.—I say that as far as I have been able to remember, and my memory goes, that I did not own any Grand Trunk Pacific at that time, and as for Mr. Harris' entry or his bookkeeping, I cannot speak. And I have been very careful, Mr. Treasurer, in going over all my records in connection with this matter, very careful.

Q.—And right before it, Mr. Biggs, there is another entry, No. 159, bought from A. G. Browning, 200 pounds City of Edmonton five per cent. and it carries the amount out. And right after it is bought from M. D. H. and M. Lamonte. I suppose that is a company, and then following that, No. 162, bought from F. C. Biggs, West Flamboro, Ontario, \$2,000 Province of Ontario six per cent. bonds, 1st February, 1936, and interest, 142 days, apparently figured up, carried right to the date, making a total of \$1,986.68. You say that these entries are wrong, Mr. Biggs? Just have a look at those entries. I think the Committee should see them. These are the entries in a cash book every day, with different transactions with the public and various people, and here is Mr. Biggs. And then here is another item, and there is another one of Mr. Biggs.

MR. RANEY: Has anybody verified those entries, Mr. Treasurer?

HON. MR. PRICE: The entries are made by the same person. We have never had anyone dispute them till Mr. Biggs says they are not correct.

THE CHAIRMAN: We have sent a subpoena to Harris, and he writes to Mr. Biggs, but he won't come here.

MR. RANEY: We had a discussion the other day about his evidence. If you are receiving everything as evidence all well and good. I suppose those things stand on the same plane as that letter. That book would not be received in a Division Court as proof.

THE CHAIRMAN: Mr. Biggs has been examining the book, and has had the benefit of it for weeks.

MR. WILSON: Do I understand that anybody seriously questions the book?

MR. BIGGS: I seriously question it, Mr. Wilson, very seriously question it. I may say, Mr. Treasurer, in answer to your question, it would appear that the items set down to my name bear a very great similarity in examining this book to the items as set down in Mr. Browning's name and Mrs. Harris' name. Transactions in Mr. Browning's name and in Mrs. Harris' name and in my name, these three names, they all bear a very great similarity, in the examination of this book, and my conclusion is that it has been a very convenient way for Mr. Harris to get the bonds of the company over to get them deposited in his banks in Hamilton.

HON. MR. MCCREA: What is the similarity, Mr. Biggs, that you say is in the books? What do you describe as the similarity?

A.—I will explain that Mr. McCrea in the list of bonds as bought and deposited with the Provincial Securities in Toronto. In the lists as supplied by Mr. Nash as bought from Toronto and New York brokers, there is a list of six or eight holdings of different types of bonds, and I may say that all those bonds that did not get into the Hamilton firm through my name got in through Mr. Browning's or Mrs. Harris' name, a very convenient style of bookkeeping to get collateral security for the Provincial Securities Company.

MR. RANEY: Browning was also a stool-pigeon, so to speak.

MR. WILSON: Would that explain the sheets that are missing?

A.—I am not Mr. Harris' custodian in any way. I don't know whether all mine are missing, or mine and many others I cannot say.

HON. MR. MCCREA: The substance of your statement, Mr. Biggs, is that when the sale was written down as having been made to you it was a false entry in the books by the Harris people?

A.—I would say, Mr. McCrea, it was a false entry as far as my name was concerned.

Q.—Well, the entry is false?

A.—Just a minute, I do not want any reflections cast on anyone. We want this thing as correct as we can make it. I would not say that the amounts in every case are false, because the amounts that were deposited in Toronto by the Provincial Securities Company seem to be the exact amount, and the same issues, and all, as were put through by Mr. Browning, Mrs. Harris and myself, and then deposited in the banks in Hamilton. That seems to be established, but that does not establish the fact that between the time that the bonds were lifted by Mr. Harris in Toronto that Mr. Harris did not exchange those bonds for some other bonds. I was selling other bonds at that time. That does not establish that Mr. Harris, in some way,—

Q.—Well, then, let me ask you this: According to your explanation, or contention, your name as it now appears in the books should not have been placed in the books as a record of a bona fide transaction?

A.—It should have been placed in the books as a record of a bona fide transaction of different securities to what it appears as.

Q.—Well, but the entry then as it is in the books, according to your opinion, is not a correct entry?

A.—As far as my name is concerned.

MR. RANEY: Might this be the explanation, Mr. Chairman: The other parties, apparently, were relatives of Mr. Harris. They may have known of these fictitious transactions, so to speak, Mr. Biggs was a stranger.

THE CHAIRMAN: Mr. Biggs' wife was a shareholder in the company.

A.—No, she was not, not this company.

A.—One of the Harris companies, I want to be corrected.

A.—Mr. Finlayson, she never was a shareholder in Browning, Harris and Northey.

Q.—I said one of the Harris companies?

A.—Which at this time was defunct and not doing business.

Q.—All right, one of the various companies.

MR. RANEY: Harris has relatives who are more or less in touch with these transactions. He has reasons for putting these things through in a fictitious name, and he puts them through in the names of these parties, they knowing what he is doing. He needs another name, and he selects Mr. Biggs' name with whom he had had transactions?

A.—It was convenient at that time, because I was selling bonds which he could turn.

MR. RANEY: Then he uses Biggs' name. Then he sees himself driven, or sees this Public Accounts Committee looming up on the horizon, and he says, now, I have got to get Biggs out of this difficulty. I have got him into it, and he destroys his ledger sheets, but is not able to destroy the original transactions.

HON. MR. PRICE: Mr. Biggs can you suggest why Mr. Harris should destroy the ledger sheets? We can understand him probably making a mistake in one case, but why should he make a mistake in half-a-dozen cases?

A.—A mistake?

Q.—Yes. I don't think anyone suggested Mr. Harris made a mistake. What I suggested was—

Q.—It looks as to me as if Mr. Harris or you made the mistake?

A.—I certainly made no mistake, because I had nothing to do with the book-keeping. The bond transaction I set out to transfer was completed, and I received just what I set out to purchase. I do not see how there was any mistake on my part.

Q.—Are you saying this, that Mr. Harris made a false entry in his books?

A.—I am saying that Mr. Harris did not enter in his books, as I can interpret the books—I do not understand his system, as I have said three or four times—he did not enter in his books the bonds that I sold to him, but he entered others, as near as I can see—

HON. MR. MCCREA: As far as you are concerned, Mr. Biggs, the substance of your statement is that this entry is the Harris books produced here should not have been there as far as you are concerned?

A.—As far as the type of bonds.

Q.—As far as you are concerned that should not be there?

A.—No, it should not be there.

HON. MR. PRICE: Well, now, Mr. Biggs, Mr. Nash gave evidence a few days ago, and he showed that the proceeds of the sale of Mrs. Harris' bonds and Browning's bonds, went into their bank account. They were actual transactions?

A.—I don't think so in Mr. Browning's case. Ask Mr. Nash.

Q.—Yes, Mr. Nash says that is right.

MR. NASH: In both cases they were traced into their accounts.

HON. MR. PRICE: When the investigation was made, when Mr. Nash went down after the Committee rose, they were traced. Apparently, there is no trace of your transaction.

A.—Mr. Treasurer, I would say, not wishing to go into private affairs at all, that after this evidence came out I went to my banker and got all the ledger sheets, and all the deposit sheets, covering this period, and I scrutinized them along with him, and I had him explain, as a banker could explain, any deposits, and I may say that during that period there are no deposits that have any relation in any shape or form with any of those sales of bonds, as stated in this sheet by Mr. Nash, as having been turned in by me.

Q.—Here is a remarkable thing, Mr. Biggs, when Mrs. Harris sold some of those bonds, we will say Saskatchewan or Winnipegs, there is a cheque issued to Mrs. Harris. When Mr. Browning sold there is a cheque issued to Browning. When you sold apparently there is no cheque issued to you. Do you hear that?

A.—Yes, I hear it. Mr. Nash's statement gives a credit to me, or shows a credit to me, and it also shows a debit to me, of what I received from Mrs. Harris in bonds, therefore, there would not be any bank entries in connection with the matter.

Q.—In your dealings then you never got any cheques from the Harris firm?

A.—I would not say that I never did in my life, but over this period I did not get any cheques.

Q.—What you now contend is that they bought bonds for you and you sold bonds to them?

A.—I bought from them and sold to them.

Q.—There was a contra account?

A.—Yes. I said in my statement that I turned in lower rates of interest bonds to increase my interest yields. The bulk of the bonds I got yielded seven and one-half per cent.

Q.—Well, in that case, you got either bonds or got the proceeds of the sale?

A.—I got the bonds.

Q.—And, in some cases, you got the proceeds?

A.—Not those transactions.

Q.—You mean to say in all your dealings you never got a cheque from those parties?

A.—Not over this period.

Q.—Not just over this period when the Provincial Securities Company was in existence?

A.—Not specially this period.

Q.—I am just taking your word, not over this period?

A.—Well—

Q.—Why over this period?

A.—There is no particular why over this period. It just happened that way.

Q.—I just wanted to know why you are so specific about this period?

A.—Because I have examined this period with very great scrutiny.

Q.—Why is it you would get cash for your bonds other periods and exchange bonds in this period?

A.—Let us go back just a little further where the ledger sheets are complete, and we will point out some of the transactions. Go back to the year 1921.

Q.—What date is that?

A.—The 3rd of January, just prior to those other transactions. On the 3rd of January, 1921, I purchased £5,000 of Grand Trunk Pacific four per cent. 1958, April 1, and these cost \$14,344.32. They were paid for by cheque, and those were bought on the 1st of February, the same bonds were sold back to the same firm for \$15,660, showing a profit of \$1,400, from the 3rd of January to the 1st of February. Now, there were many transactions of that kind.

Q.—Just at that point. Did you take bonds out of the firm, or did you always leave your bonds with them?

A.—I always took the bonds out, had them in my own possession.

Q.—You did not trade on margin then?

A.—No, I never traded on margin with Mr. Harris. It was always a clean-cut transaction.

Q.—Well, then you ought to be fair to us, that you had \$15,000 working in that account?

A.—No, I would not think so, Mr. Treasurer.

Q.—Well, there is the transaction?

A.—I would not say that I always had \$15,000 with Mr. Harris. I bought bonds and took them out. When the markets would rise, being a regular client of Mr. Harris' company, Mr. Harris would call me up on the phone. Possible I might drop into the office if I was in the city. I have done business for the last ten or twelve years with him and he would call me up on the phone. Take instances like the Grand Trunk Pacific. He would say have you those Grand Trunk Pacifics yet, and I would say yes, if I had them. He would say you can sell those at a good profit, and I would turn them in to Mr. Harris or my brokers, and if he could make the profit for me he advised me.

Q.—Did you have any other brokers at that time?

A.—No regular brokers.

Q.—Were you dealing with any other brokers?

A.—No. I would not say I never bought any bonds from other brokers.

Q.—At that time when the Provincial Securities Company was in existence, early in 1921, for five or six months, you were dealing, shall I say, exclusively with Mr. Harris?

A.—No, I would not say that.

Q.—What other firm did you deal with?

A.—I have sold bonds to the bank at different times, and have bought small amounts from them. On several occasions I have bought Victories.

Q.—Do you intend to tell the Committee that when they bought bonds for you, you took them out, and that when they sold bonds for you, you left them in your account?

A.—I never said that. You are making a bad impression.

Q.—You took your bonds out and you did not take your money out?

A.—I took my bonds out when I purchased bonds, and I do not know of any instance, unless it was a very small transaction, that I did not re-invest in something at once.

Q.—I see?

A.—What would be the object—

Q.—I am not arguing with you.

A.—What would be the object in my taking out \$10,000 to \$15,000 and letting it lie around. I would immediately re-invest in whatever I thought was the most inviting to make a dollar.

Q.—When you took your bonds out, where did you keep them?

A.—I kept them sometimes at my home, and I had a safety deposit box in the bank at Dundas. They were sometimes kept there.

Q.—Well, then, the record shows here, in these Grand Trunk Pacific four per cents that they were drawn out by Mr. Harris, on the 20th of June from the Provincial Securities Company account, from the Bank in Toronto, and that a similar amount of same bonds was sold by you to Browning Harris & Company. Do you say that is not significant at all?

A.—It has no significance whatever, as far as I am concerned.

Q.—You say that that has nothing to do with the Provincial Securities Company, it was only a coincidence?

A.—No, I did not say it was a coincidence at all. I said I was selling bonds at that time, and as Mr. Harris advised me he had bonds for delivery, I turned mine in, and I have already suggested to you that when I turned mine in, I was not credited with the exact bonds I turned in. I was credited with the amount, but not the exact bonds.

Q.—Then what object would Mr. Harris have in apparently recording a purchase from you of bonds coincident with his withdrawal from the Provincial Securities—

A.—Well, now, you are asking me something, Mr. Treasurer, that I cannot answer, but I can give you my opinion of it. It was a very convenient way for Mr. Harris to transfer his Provincial Security fund from Toronto, which he had in his bank in Toronto, to his bank in Hamilton, the Merchants Bank, or the Bank of Montreal, for the building up of a hypothecation account with his bank in Hamilton. About the time he was reorganizing his new Browning, Harris and Northey Company.

Q.—Why couldn't he transfer them in open daylight instead of doing what he did?

A.—I am not a mind reader, Mr. Treasurer. I don't know what Mr. Harris had in his mind.

Q.—Let us go on to the next one. Here is the City of Winnipeg, six per cent. and we found out, according to Mr. Nash's statement here the other day, that on the 5th May, 1921, \$6,000 of these bonds are bought by Browning, Harris, Northey & Company from F. C. Biggs, and sold on 4th May, 1921, to the Provincial Securities Company. There seems to be a kind of endless chain, Provincial Securities, F. C. Biggs, Browning, Harris, Browning, Harris, F. C. Biggs, Provincial Securities.

A.—There seems to be, Mr. Treasurer, quite a chain, Mr. Biggs, Mr. Browning, Mr. Harris. I know, Mr. Treasurer, with the particularly acute mind that you have got, you are just the one man who can see the joker in the deck.

Q.—Well, I have not got the joker yet. I am just drawing your attention to what Mr. Nash has said. Can you explain? This is a time when you sold to the Provincial Securities Company. This is a little different. If you sold to the Provincial Securities Company you would get some of the Provincial Securities money. Now, do you say that this entry was a regular entry?

A.—Which item are you dealing with?

Q.—On the 14th May, 1921, 2,000 City of Winnipeg were bought by Browning, Harris, Northey & Company from F. C. Biggs, and on the 5th May, 1921, 6,000 of these bonds were bought by Browning, Harris, Northey & Company from F. C. Biggs, and sold on the 14th May, to the Provincial Securities Company. Now, I just want to ask you, Mr. Biggs, the Browning, Harris books have this record of the Provincial Securities Company getting the bonds. Did you have Browning, Harris, Northey & Company sell on your behalf 6,000 six per cent. Winnipegs to the Provincial Securities Company?

A.—No.

Q.—Because you see, Mr. Biggs, this is another transaction entirely different. It is a sale by you of bonds to the Provincial Securities Company recorded in the Harris books?

A.—I have already told you, Mr. Treasurer that I did not know at this period of the Provincial Securities Company.

Q.—Mr. Biggs, did you get this money, \$6,000, when Browning, Harris, Northey & Company sold these bonds, apparently on your behalf as far as their books show, to the Provincial Securities Company?

A.—No.

Q.—Of course, you knew that the Provincial Securities Company had made this profit of \$30,000 out of the sale of Government bonds?

A.—I did not know at this period.

Q.—You knew it from the records?

A.—I know what has been brought out by Mr. Nash's statement.

Q.—And then Mr. Harris' books show, or record rather, a sale of \$6,000 worth of bonds to the Provincial Securities Company. Now, you say that you never sold those bonds, is that right?

A.—That is right.

Q.—Well, it may be that there were no bonds went in there at all.

A.—Into where?

Q.—It may have been that there were no bonds went into this account?

A.—Into the Provincial Securities Company?

Q.—Yes.

A.—Search me, I don't know anything about Provincial Securities account.

Q.—You are trying to explain this. You say that these bonds did not go into the Provincial Securities account?

A.—I know nothing whatever of it.

Q.—You say that Mr. Harris just put through a false entry?

A.—I know nothing of it whatever.

Q.—If they pulled out \$6,000 you did not put any bonds in?

A.—There is no use trying to build up any air castles because I know nothing of this transaction.

HON. MR. MCCREA: Has Mr. Harris written any letter of explanation about this transaction?

A.—No, none whatever.

HON. MR. PRICE: If you look up that sheet that you have there, Mr. Biggs, you will see on September 28, there are 2,000 Province of Saskatchewan six per cent, 1936, purchased from F. C. Biggs, at 98 and interest. Now, you did not purchase anything that time, did you? Those bonds were purchased from you. Where did you get them? Did you get the money for those?

A.—Apparently in this statement, as set out in Mr. Nash's statement—

Q.—Just answer, that is a fair question. Did you get the money for them?

A.—No.

Q.—Well, you did not pay anything. The statement does not show?

A.—I cannot help it because the statement does not show it. This seems, Mr. Treasurer, to be getting very close to the period now where those ledger sheets are missing. It seems to be getting very close to this period, and it is possible that that transaction is only recorded on the one side, the credit side as far as I am concerned, and the debit item does not show.

Q.—Would you say this is another mistake in the book?

A.—I would not say it is a mistake. I don't know whether it was recorded or not.

Q.—The record is here, but you did not get the money?

A.—I did not get any money out of any of these transactions whatever.

Q.—We have gone over the Saskatchewans, the Grand Trunk Pacifics and we have gone over the Winniepgs. Mr. Nash points out to me, Mr. Biggs, that the day book, this ledger book, this cash book, on pages 80-81 show both purchases and sales?

A.—I don't know what it shows, Mr. Treasurer.

Q.—Well, just right here. On page 81, bought from F. C. Biggs, Province of Saskatchewan, and on the top here of page 83, bought from F. C. Biggs 8,000 City of Winnipeg six per cent. bonds, \$8,000. So that actually speaking, Mr. Biggs, you claim that where Mr. Harris sold bonds for you, and bought bonds from you, that the entries are incorrect in the books?

A.—I say, Mr. Treasurer, that where Mr. Harris bought bonds from me, the entries are incorrect, as to the issue of the bonds in question.

Q.—And what do you say about this sale to the Provincial Securities Company?

A.—I know nothing of it whatever, Mr. Treasurer.

Q.—Do you say those sales of your bonds are incorrect?

A.—Of my bonds?

Q.—Yes, of the bonds that Harris sold for you. You told us you took out the bonds; when you went to sell them, you brought them in. The record shows that 6,000 of these were sold by you to the Provincial Securities Company. Do you say that is wrong?

A.—What bonds were they?

Q.—6,000 of City of Winnipeg six per cent.

A.—I say that I never owned any Winniepgs and therefore I could not sell to Mr. Harris, nor sell to the Provincial Securities, either one.

Q.—Did you say that you bought no Winnipegs?

A.—No, I did not buy any Winnipegs.

Q.—So that when we find this entry, where you have both sold and bought bonds, you think that the records of the Harris Company are incorrect.

A.—I think the book you have in front of you, which I claim is nothing more than a memorandum book—

Q.—It is a cash book.

A.—It is not a cash book. You call it so. Mr. Nash calls it a day security ledger.

THE CHAIRMAN: That is what it is endorsed.

MR. FISHER: Mr. Chairman, can Mr. Nash tell us in whose handwriting those entries are? Are they in Harris'?

MR. NASH: I don't know that, Mr. Fisher.

MEMBER: You can tell by Harris' letter there.

HON. MR. PRICE: It is the book kept by Harris' firm.

THE CHAIRMAN: Harris is under subpoena.

MR. FISHER: It would be very interesting to know.

MR. BIGGS: I think, Mr. Chairman, it is of very little importance whose writing is in the book. As I understand the business in a bond house, a man comes in and buys some bonds. There is a slip made out by that salesman, and the slip is passed along to the office, and it all depends on what kind of slips Mr. Harris made out according to the way those books are kept.

THE CHAIRMAN: When did you buy those Arcades?

A.—I bought those Arcades between May and September of 1921.

Q.—Well, we find the entry for them in here?

A.—Yes, part of them.

Q.—This is a book of original entry, apparently, and it records this 2,000 of Arcades sold to you, item 191. Now is that correct?

A.—I cannot tell you, Mr. Chairman.

Q.—But you see, Mr. Biggs, some of these were sold to you?

A.—That is right.

Q.—Is that entry correct?

A.—I cannot tell you whether that is correct or not.

Q.—Have you got the bonds yet?

A.—No, sir. Those Arcades have all been recalled.

Q.—How many of those did you buy?

A.—20,000 in this instance. I went in to Mr. Harris. The arrangement was made to exchange a certain amount of bonds, and as Mr. Harris advised me he had those bonds for delivery, I turned in an equal amount of the bonds that I was selling to him.

Q.—And that extended from May to September?

A.—Yes, sir.

Q.—Well, here is an entry on the 25th June, sold to F. C. Biggs, 2,000 seven and one-half per cent bonds, and you were apparently buying 2,000. You were buying Arcades at that time. Now, that corresponds with your statement, doesn't it?

A.—Yes.

Q.—So that is probably correct?

A.—It possibly may be.

Q.—Why should the entry following that, or just before that be wrong. Have you any suggestion to make?

A.—I have already suggested, Mr. Chairman.

Q.—I don't understand.

A.—I think I fully covered that point.

Q.—I mean, you think for some reason, he has made false entries?

A.—I think he has made a false entry as to who sold the Provincial Security Company bonds. I gave my reason why I say that.

Q.—Now, look over the following entry to that, 1,000 Province of Ontario?

A.—It is quite possible he sold some of my Ontarios to the Provincial Security Company.

Q.—You think one entry is false and the other correct?

A.—It is a very great difference, Mr. Chairman, in this instance, whether you are recording debit or credit sales.

Q.—Item 191, sold to F. C. Biggs, 2,000 Arcades. No. 192, sold to Provincial Securities, 1,000 Province of Ontario?

A.—That would almost follow, Mr. Chairman, to the letter of the law what I have said.

Q.—Do you suggest one is false and the other honest?

A.—I do not suggest either one of those is false.

Q.—Are they correct?

A.—The amounts may be correct.

Q.—Mr. Biggs—

A.—Just a minute now.

Q.—Here is an entry on the 22nd of June. Do you say you have no recollection of it at all?

A.—Of the sale?

Q.—Of the sale of the 22nd of June?

A.—I have certainly no recollection of selling the bonds as set forth in Mr. Nash's statement on the 22nd of June. I see the bonds are credited to me.

Q.—Is the amount right?

A.—I cannot recall whether it was 2,000 turned in at that time.

Q.—Look here now. Item 160, bought from F. C. Biggs 500 Grand Trunk Pacific bonds. That is what was taken out of Provincial Securities, and the next entry we find is, "bought from F. C. Biggs, West Flamboro, 2,000 Province of Saskatchewan." Surely you would remember if you did that, two items there, one \$1,986 and the other \$1,455?

A.—Are those on the same day?

Q.—Yes, they are the same day, June 22nd. One is item No. 160 and the other is item No. 162, with an Arcade entry in between?

A.—Yes. What is the Arcade entry, a debit or a credit?

Q.—It is bought from M. D. H. and M. Lamonte. That is a small entry. You admit that one is right?

A.—No, I don't.

Q.—You say they are both wrong?

A.—Those are sales as recorded by me, are they not.

Q.—No, they are purchases from you?

A.—Well, purchases from him. Well, that is a sale from him.

Q.—Go on?

A.—Those are sales from him.

Q.—Look. Let me clear it up. Do you remember the items or do you not?

A.—I did not sell that type of bonds whatever.

HON. MR. PRICE: Now, Mr. Biggs, you have been criticizing Mr. Harris' books. Did you keep any books or records of your sales and purchases?

A.—I did not, Mr. Treasurer, because I have no partners. I have no business associates at all, and I have no necessity to keep books.

Q.—You do not keep any record or you did not keep any record of when you sold bonds or when you purchased bonds?

A.—I did not, because as each item would be a finished transaction it was not necessary.

Q.—How do you say then that this is wrong when you kept nothing at all?

A.—Because I know I did not have those bonds at all.

Q.—How do you know?

A.—I know because I know. I am surely human.

Q.—You can remember back four or five years?

A.—I can remember back four or five years distinctly as to the different issues of bonds.

Q.—Well, now, are you just as clear on that as you were in connection with the Provincial Securities Company?

A.—I have no evidence of the Provincial Securities Company.

Q.—You gave evidence a year ago and you have given evidence at the present time?

A.—My contention of this matter is that that letter—

Q.—I am just asking you if your recollection is just as clear on this matter as it is on the Provincial Securities?

A.—You consider that a fair question.

Q.—I think it is?

A.—Yes, my mind is very clear in this matter, Mr. Treasurer.

Q.—Just as clear as it was on that?

A.—Yes, it is very clear.

Q.—Now, Mr. Biggs, I mentioned the fact a little while ago that there was an Order-in-Council where your Government of which you were a member authorized the purchase by the Provincial Securities Company of succession duty free bonds?

A.—Would you just read those present at that date.

Q.—Yes, I will read those present. Do you recollect that?

A.—Which.

Q.—Do you recollect your Government meeting in council and authorizing the purchase by the Provincial Securities Company of succession duty free bonds?

A.—I have no direct recollection.

Q.—Were you at the meeting?

A.—I cannot answer that question.

Q.—Now you pranced around from pillar to post on this thing?

A.—I have not pranced around at all.

Q.—On February 10th, 1921, the Council had under consideration a report of the Honourable Provincial Treasurer, dated the 10th February, 1921. (Hon. Mr. Price reads report of Hon. Provincial Treasurer.) Now, Mr. Biggs, do you remember being at that council meeting?

A.—No, I do not, Mr. Treasurer.

Q.—Well, now, those present at that meeting were Mr. Drury, Mr. Raney, Mr. Smith, Mr. Biggs, Mr. Grant, and Mr. Mills, in 1921, February, about the time the Provincial Securities Company were making those purchases. Now, do you say that you did not know anything about this Provincial Securities Company at the time?

A.—I do.

Q.—Did you make any inquiry to find out who the Provincial Securities Company were?

A.—Hardly, when I did not know about them.

Q.—Well, but you were at the Cabinet council?

A.—Quite possible.

Q.—Do you remember discussing this in council?

A.—I do not. I think there were considerable—I won't say considerable,—but there were quite a few Orders-in-Council going through of a similar nature for the purchase of bonds from different firms, and I think not only Provincial Securities, but different firms.

Q.—Yes, that is right, I quite understand, but here is the Provincial Securities Company. Apparently as far as Mr. Harris' records are concerned, you sold the Province of Ontario bonds. Did you ever inquire, Mr. Biggs, to find the profit that this company made?

A.—No.

Q.—When you were at the council when this was passed, did you inquire as to the stability of the company?

A.—I did not.

Q.—Did you ask where it was located?

A.—I did not.

Q.—Did you answer whether it was a Toronto company or a Hamilton company?

A.—I did not ask anything about it.

Q.—You made no inquiry at all?

A.—No.

Q.—Now, then, on March 22nd, 1921, we find that there is a further purchase from Provincial Securities Company of 5,200 4 per cent., etc., etc., and that was approved of. You were not at that meeting. Mr. Raney was in the chair. Now, Mr. Biggs, do you want to change anything you have said on this? You have had two or three different stories. Do you want to change again what you have said about the Provincial Securities Company?

A.—I don't think so.

Q.—Well, then, let us just follow these others. I think the evidence on that point is very clear. You are not denying those records?

A.—Not at all.

Q.—You are not denying this Order-in-Council?

A.—I am not denying it at all.

Q.—Well, you are denying records in the Harris books?

A.—Mr. Treasurer, why do you say you are denying Orders-in-Council that are on record.

Q.—I just want to know?

A.—You just want to get something into the evidence.

Q.—I just want to know how far your denials are going to go?

A.—I am not denying Orders-in-Council.

Q.—There is surely a limit to what a man can deny. Before I go into anything further, Mr. Chairman, I would just like Mr. Nash to step into the box and say what he did when he actually examined those books. I do not think the members of the Committee probably have that fully in mind and I think Mr. Biggs should have it too, so that we can settle it. Mr. Nash has been sworn.

ALBERT E. NASH (Recalled):

HON. MR. PRICE: Mr. Nash, would you just explain to the Committee.

You were ordered by the Public Accounts Committee last year to make this report, and you brought the report down here at the first meeting of the Committee. Just explain what examination you made of the various Harris companies and the books of the companies?

A.—We examined the books of all the companies that were produced to us. We asked Mr. Harris first for the books and he produced some of the books at the Public Accounts Committee here. We went to Hamilton and asked for the production of all the books.

HON. MR. MCCREA: Asked who?

A.—Mr. Harris himself and his partner for all the books, and we searched the vault, with their consent, for the books, and we found that the books were not complete, that there were certain missing sheets and certain missing records. We put this matter up to Harris and asked him for the production of those missing records. He did not produce them. He told us they were not available or could not be found. He did not know where they were. We built up from those records which we did have to the best of our ability, the statement I have have submitted, or spoken to in evidence. We examined the books that we have produced here and those we saw, to satisfy ourselves that those were the records of the Harris companies.

To make it quite clear. We took this particular book, this security day book and we did not satisfy ourselves from a mere inspection of the entries in that book that this was an actual transaction. We went from this book to those ledger sheets, and those other records of the Harris companies that we had, and we traced sufficient of the entries in this book to thoroughly satisfy ourselves that the entries in that book are bona fide entries of business transactions. I think that is about all I can say. We are used to making these investigations, and we did not leave anything to chance that we thought we should cover. We expected to be asked why we could not complete the records, because we found missing records, and we took every precaution, because of the missing records, to satisfy ourselves that we had got everything that was possibly available.

Q.—Was there any suggestion by Mr. Harris, while you were making this examination, that any of the entries in this book, called the Browning-Harris-Northey & Company securities day book were false?

A.—None by him or any of his staff. In fact, they produced these books and said, these are the books of the Harris Company.

MR. FISHER: Mr. Nash, did you make any effort to find out who made those particular entries where Mr. Biggs' name appears?

A.—I don't think, Mr. Fisher, we tried to find out who made all the entries, but I can tell you this, that the entries in the first part of this particular book are made by Mr. Harris himself.

Q.—Oh, those relating to Mr. Biggs?

A.—No. I may have at the time inquired, but to my recollection I cannot tell you now who made those entries.

Q.—You have many specimens, I suppose, of Mr. Harris' writing. It would not be hard to find out whether he wrote them or not?

A.—I cannot tell you whether he made all the entries in this book.

Q.—No, no, but these particular ones referring to Mr. Biggs?

A.—I cannot say that I have studied each one of those entries particularly.

THE CHAIRMAN: On the first page, Mr. Fisher, there is, "Sold to Mr. F. C. Biggs, West Flamboro, some Arcades, 8,000 Arcade bonds, on May 5th, 1921," which is quite apparently in the same handwriting.

MR. NASH: Mr. Fisher, we did not particularly cover that point because Harris was available and he was competent to speak as to who made the entries.

MR. FISHER: What I am getting at is, if Harris did not make them, someone else did and it might be interesting to know who that someone else was.

HON. MR. PRICE: They are all made, Mr. Fisher, in the same handwriting. They are all consecutive transactions.

MR. FISHER: Does it suggest that there might be a witness somewhere that might give evidence.

HON. MR. PRICE: I rather think so. We will have Harris in the morning, as I take it.

Q.—But Mr. Nash, in making this investigation, did Mr. Harris suggest at any time that these books were not correct?

A.—Oh, no.

Q.—Did you believe yourself that these books were not correct?

A.—Perhaps this would clear up a little point. Since the books have been in the possession of this committee in my charge, Harris and his partner have had occasion to refer to those very books on several occasions, to get from those books records of transactions that they have done for clients, indicating to me, at any rate, that they relied upon the transactions in this book as records of transactions of their business. They have come up to my office and have looked at these books, and have taken information from the books in order to conduct their further business.

MR. MCBRIEN: In building up the company's account, what was the total amount of the transactions Mr. Biggs had with the Browning Harris Northey Company as far as you can make out?

MR. BIGGS: \$25,000.

A.—Well, the transactions ran into a considerable amount of money, Mr. McBrien, altogether. Speaking from the incomplete transactions of the Browning Harris Northey Company there was in the neighbourhood of \$100,000 of transactions by Mr. Biggs.

MR. MCKEOWN: Is that bought and sold?

A.—That is bought and sold.

MR. MCBRIEN: That would be just what you found?

A.—Yes.

Q.—That would be the minimum you found?

A.—Those are what we found.

HON. MR. MCCREA: Also the maximum.

MR. BIGGS: While Mr. Nash is in the box, could I ask him a question or two?

THE CHAIRMAN: Yes.

MR. BIGGS: You say, Mr. Nash, that there was approximately \$100,000 of business done by myself with Mr. Harris. Over what period? I have the period here.

A.—From July, 1920, till December, 1923, Mr. Biggs.

Q.—Considerably over two years, and you found many transactions?

A.—Yes.

Q.—And the statement that you prepared for the Committee shows a balance of \$34,000 that I received less from the Harris firm than the Harris firm brought from me. How would you explain that?

HON. MR. MCCREA: Just twelve transactions, Mr. Biggs.

MR. BIGGS: Well, I think there are considerably more than twelve transactions.

HON. MR. MCCREA: That is all we could find.

MR. BIGGS: I am just taking Mr. Nash's statement for it. There are a good deal more than twelve transactions, many more.

MR. MCBRIEN: Just twelve exactly. What was your question, Mr. Biggs?

MR. BIGGS: I don't know whether I can repeat it exactly. I just repeated his figures, which he submitted to the Committee, and from them apparently I have a credit balance, or I sold the Harris firm \$98,000 odd and I received from the Harris firm, \$55,771. As an expert accountant, Mr. Nash, how would you explain the standing of an account that would show that the Harris firm should have paid me \$34,000 more than they did?

A.—Mr. Biggs, I don't think I can answer that question. This is an effort to build up an account from incomplete records. I would like to qualify one statement that I made that the \$90,000 was both purchases and sales. That was purchases.

MR. MCKEOWN: Did you examine the bank account of Browning, Harris & Company?

A.—Yes, all the bank accounts.

Q.—Did you find any cheques there paid out for any of these purchases?

A.—No, none, not to Mr. Biggs.

Q.—Did you find any cheques corresponding with these prices or figures for the purchases that were made?

A.—Not from the purchases of Mr. Biggs. Oh, yes, we found that the purchases from Mr. Browning were apparently bona fide purchases, as the cheques were paid and deposited in Mr. Browning's account. And the same with Mrs. Harris, but not Mr. Biggs.

Q.—So that the records as far as Mr. Biggs is concerned do not appear to be the same bona fide transactions as in the case of Mr. Browning and Mrs. Harris?

A.—I would not like to say they were bona fide.

MR. BIGGS: Mr. Nash, I think from your statements—correct me if I do not follow properly, I have not the figures all before me—I sold about \$250,000 worth of bonds that were once held by the Provincial Securities Company?

A.—Bonds of the same maturity.

Q.—It has been suggested before the Committee to-night that those were interchangeable with bonds that I turned in. Is there anything at all to show that that was or was not done?

A.—I know of nothing to show that it was done, Mr. Biggs.

Q.—Or was not done, either one?

A.—No, I have no record to show that it was not done.

Q.—I was going to ask you, in that broken link between Provincial Securities and those entries in Hamilton, is it quite possible that a transaction might have transpired in between?

A.—Mr. Biggs, I think that is an inference perhaps I should not draw.

Q.—I do not wish to put you in any unfair position at all, but still it is a fact from your statement, Mr. Nash, that the Harris firm would owe me about \$34,000?

A.—Put it in this way: From the incomplete statement we have drawn up, there were purchases of \$90,000 and sales of \$55,000.

Q.—Yes, yet you cannot find trace whether they ever paid me by cheque for anything?

A.—No.

MR. RANEY: Why do you say the record is incomplete?

A.—Made up from incomplete records, Mr. Raney.

Q.—Might it not be incomplete from anything you know?

A.—It is possible, I would not like to say it wasn't. It is made up from incomplete records. It is possible that we have not picked up every transaction of Mr. Biggs; of course, I cannot say whether we did or not.

MEMBER: Mr. Nash, when you investigated their bank account, that was complete, wasn't it?

A.—The bank account was, but the cheques were not, and in the absence of cheques it is impossible to say to whom the amounts that went out of the bank were paid to.

Q.—Is there any corresponding payment to this?

A.—No.

Q.—The bank records, there was no record of any destroyed sheets or anything there?

A.—The bank records, of course, those were complete, the records from the bank. The records of the bank account in the books of the Harris firm were not complete, sheets were missing.

Q.—And the bank record shows no payment corresponding to this amount?

A.—No.

HON. MR. MCCREA: Or any payments of any amount?

A.—I cannot say that in the absence of the cheques, Mr. McCrea.

Q.—Well, as far as you were able to find?

A.—No.

Q.—How many of these sheets were missing, Mr. Nash?

A.—I cannot say that, Mr. McCrea, because just as soon as one page was missing, it is impossible to say how many were missing. We cannot balance the books in the absence of the missing ledger sheets.

Q.—So if you are not able to give a complete accounting of the accounts of the Harris books, it is because the records of the Harris Companies are incomplete as far as Mr. Biggs' account is concerned?

A.—It is because the records of the Harris Companies are incomplete. I would not like to confine it entirely to Mr. Biggs' account.

MR. McKEOWN: Mr. Nash, you have traced, as far as the records are concerned, I believe, about \$25,000 worth of securities from the Provincial Securities through Browning, Harris & Company, apparently through Mr. Biggs?

A.—\$26,000.

Q.—Over what period did that extend?

MR. BIGGS: From 5th May, 1921, to September, 1921.

MR. McKEOWN: About four months, five months.

MR. MACBRIDE: When was Provincial Securities incorporated?

HON. MR. PRICE: It was never incorporated.

MR. MACBRIDE: When was it organized, or when did it start to do business?

HON. MR. PRICE: February 6th, 1921.

MR. NASH: It operated from February to September, 1921.

MR. FISHER: These books, strictly speaking, are not evidence. Now, an effort should be made to find out who made those entries; if they were made by Harris, I suppose we have got to wait till he is called. If someone else made them it might be possible to find out who that someone else was and bring them here.

HON. MR. MCCREA: There is this feature about the situation, so far as this phase of it is concerned, Mr. Fisher. This committee delegated Mr. Nash to make a report last year as to the facts, so far as he could obtain them, and

report to the Committee. All that Mr. Nash has done, so far, is to give to the Committee the result of this investigation, procured from books supplied by the Harris firm which he was sent to investigate, and where no question, as I understand it, has been raised as to the correctness of the books, so far as the Harris firm is concerned.

MR. FISHER: Well, a very grave question has been raised by Mr. Biggs, and while the books might be evidence against the Harris firm, they cannot be evidence against Mr. Biggs, and if you can get any better evidence of them, you had better try and get it.

HON. MR. PRICE: Mr. Chairman, if we have Mr. Harris here in the morning, he might be able to throw light on it; the entries seem to be made in the usual run of business, and if Mr. Harris cannot throw any light on it, we will have to get someone who made the entries.

HON. MR. MCCREA: Of course, we are not trying Mr. Biggs.

MR. FISHER: Pretty nearly, I would say.

MR. MCCREA: We are trying to bring out the evidence that is pertinent to this matter.

MR. WILSON: Mr. Biggs, do I understand that you used to pay for some of your bonds in cash?

MR. BIGGS: Not in bills. I believe there is a statement in one of the newspapers which refers to cash.

Q.—It said something about your carrying as much as \$4,000?

A.—That is a little story one of the newspaper boys wrote up, in a most kindly way, but I was not in the habit of paying for bonds by cash. He was talking about cattle, we are talking about bonds. I think that was set out very clearly in the little story which he wrote.

MEMBER: Haven't you a bank book with your returned cheques showing those payments?

A.—I would have no returned cheques, because I never had anything but a savings bank account.

MR. MCBRIEN: You said you never had a savings account?

A.—I say I never dealt with any account but a savings account.

HON. MR. MCCREA: As to the cheques which would be on the savings account, have you obtained any of those from your banker?

A.—No.

Q.—Are they still with the bank?

A.—I guess so.

Q.—What bank?

A.—The Bank of Commerce at Dundas.

MR. MCBRIEN: You stated in your previous evidence you were out with the bank manager checking them over?

A.—Not the cheques. I did check over all the deposits and ledger sheets that would give the amount of deposits. I was trying to find out if I could trace anything, because I wanted to be perfectly clear and sincere about this thing. I think every member of the Public Accounts Committee will give me credit for last year, and this year if you wish, trying to bring out the evidence. I did try to find out something, because I could not recall any connection in my business between those type of bonds and any of my transactions.

MR. WILSON: May I ask you this. When you bought bonds from this company, did they ever pay you by cheque?

A.—When they bought bonds from me?

Q.—Yes.

A.—Yes.

Q.—Can you account for the fact that none of the cheques to you are found with the company's records?

A.—Because there were no cash transactions in this account, not over this period.

Q.—I have asked you this. I think you stated that on some occasion the company would pay you by cheque?

A.—Yes.

Q.—That is a cheque payable to your order, I expect?

A.—We might go back to the 3rd January.

Q.—I am not asking any particular date, but it is correct that when the company did pay you anything, it would not be by cash but by cheque?

A.—If the Harris Company ever paid for me any bonds, or the difference between the value of some bonds, which made any balance, after figuring in the interest, they would pay me by cheque.

Q.—Well, can you account for the fact that not only are the ledger sheets of your account all missing, but there are no cheques payable to you even in the company's records?

A.—No, I cannot account for it at all.

THE CHAIRMAN: Mr. Biggs, you will remember at the meeting last year, the first meeting, you were to get your books, pass books and any books of account, or memoranda you have, and then at the second meeting you explained that on account of some shortage of time you were not able to produce them. Have you got them for us now?

A.—I have received them all in the meantime.

Q.—Will you produce them?

A.—Yes, I can produce them for that period.

HON. MR. MCCREA: Which period?

A.—The period that it is shown I sold bonds in.

Q.—That is from February, 1921, to September, 1921?

A.—Yes.

THE CHAIRMAN: You were to look up to see if you had any memorandum about it?

A.—No, I have no memorandum of these transactions.

Q.—Do you keep any books at all?

A.—No books at all. I never destroyed any books because I never had any.

MR. MCBRIEN: Did you keep a record of your assets and liabilities?

A.—No. It would not look good. I am afraid the liabilities would look too much.

Q.—You have to fill up your income return, like the rest of us, and you have to have it verified?

A.—Quite so.

Q.—So you would have some idea?

A.—Yes. My estate is not very extensive; it is very easy to keep everything in my head.

Q.—How much would your estate be in 1920?

A.—I don't know that that is relevant to the question at all.

Q.—Well, now, about 1919, is it a fact that you borrowed some \$2,500 from a neighbour of yours?

A.—\$2,500 from a neighbour?

Q.—Yes?

A.—When?

Q.—About 1919?

MR. WILSON: Before the election.

MR. MCBRIEN: For the purpose of making an investment?

A.—I do not recall any private loan at all.

Q.—Think real hard and see if you can recollect borrowing \$2,500?

A.—Probably, Mr. McBrien, if you could tell me who it was, it would be much easier to think. I could give you a direct answer.

Q.—A man by the name of Munn?

A.—In my neighbourhood?

Q.—Yes?

A.—I don't know a man in the county of Wentworth by that name.

Q.—Then you have no recollection of borrowing money from a neighbour to invest in a milk concern?

A.—No.

Q.—Are you interested in a milk company?

A.—Yes, the Hamilton Dairy Company.

Q.—It pays a dividend, does it not?

A.—Generally.

Q.—Approximately how much?

A.—Oh, a reasonable dividend.

Q.—About how much then?

A.—I don't know. It pays a dividend, a reasonable dividend.

Q.—Is it an eight per cent dividend? What do you call a reasonable dividend?

MR. FISHER: What has that got to do with this?

MR. MCBRIEN: Never mind now. What do you consider a reasonable dividend, 7½ or 8 per cent.?

A.—It all depends whether they are paying on preferred or common, what it costs, and all the rest of it.

Q.—What do they pay on preferred then?

A.—What do they pay? Well, now, Mr. Chairman, I want to ask your ruling on this point, if this is relevant to the question, what dividends the Hamilton company pay.

Q.—How much is your total investment in the company?

A.—At the present time?

Q.—Yes?

A.—I refuse to answer. You can get that from the records in the Provincial Secretary's department.

Q.—Pretty close to \$100,000?

A.—I wish it was.

Q.—It is over \$75,000, is it not?

A.—All I have to say, Mr. McBrien, is that my investments in the Hamilton Dairy Company were made before I was a member of the Government.

Q.—All of them?

A.—Probably so.

Q.—You increased them as soon as you became a member of the Government?

A.—Very little.

Q.—What about the Overall Company?

A.—What about it?

Q.—How much have you got invested in that? The Kitchen Overall Company?

A.—I don't propose to answer that, as to what I have invested. If you want to find out, you go to the Provincial Secretary's Department to find out. I am not here advertising my assets and liabilities to the public of the Province of Ontario.

Q.—Then, Mr. Biggs, you are willing to assist the Committee all you can in making a proper investigation into all these suspicious transactions?

MR. BIGGS: I wish the member would withdraw the words "suspicious transactions."

MR. MCBRIEN: I think any transactions where ledger leaves are missing, where cheques are missing, are indeed very suspicious?

A.—Well, then, specify the transactions.

Q.—The transactions with the Harris Company?

A.—Well, don't include the Hamilton Dairy Company and the Overall Company.

Q.—Well, don't you think you should assist all you can?

A.—I certainly will.

Q.—Give us any assistance you can?

A.—Yes, sir.

Q.—When did you become a shareholder in the Consolidated Wax Paper Company?

A.—I cannot say that offhand.

Q.—Would you be inclined to tell us how much money you have invested in that?

A.—Just the same as the other companies, I decline to tell you. Mr. McBrien, if you want me to make a statement of my assets at the present time, then I wish an opportunity of making a statement as to where I obtained those assets. I want you to understand that I am not here advertising my assets, or the assets of my family, but I was by no means bankrupt when I came to Toronto, and my family is not known in that calibre, or connection, in my own neighbourhood.

Q.—You said a few minutes ago you would not have any difficulty in making up a statement?

A.—No difficulty whatever.

Q.—And that your liabilities might be more than your assets?

A.—You quite know, Mr. McBrien, under the Dominion statutes, if I had not any record of any kind, that each company in the Dominion of Canada makes a return to each shareholder or director of that company as to what they drew out of that company for the last year, for the purpose of your income tax return, and if I had not a record of any kind, this would be forthcoming from my interests, or your interests, or any interests for that purpose.

Q.—You not only have to file with the municipality in which you reside the details of your investments, but you also have to file with the Dominion Government such detail?

A.—Yes.

Q.—So that you would have a record available each and every year?

A.—Quite so.

Q.—You would not make that up from memory, would you?

A.—I don't have to make it up from memory. I have just said these different companies, if my memory did not serve me in this connection, would instruct you by letter as to your dividends or income. It might be director's fees, whatever the case, and by aggregating that back for the last twelve months'

period. I have no books. I can produce evidence, if you wish, that I never kept any books, and never destroyed any books.

Q.—Don't you think it is rather unusual, a man dealing in hundreds of thousands of dollars of securities, to have no records and no books?

A.—I could go back over a period of years if you wish, and if you added it up you might get into the hundred thousand dollars, turn-overs and all that kind of thing.

MR. WILSON: You did not keep books for any of them?

A.—No, sir.

Q.—Apparently you keep books of payments to your hired help, but not of these hundreds of thousands of dollars of bond issues?

A.—I keep books of all my disbursements, I mean current disbursements, not capital disbursements.

Q.—To hired help?

A.—Just wait a moment now. Every man would keep a book for his hired help, because you would have to know at the end of that labour period how much you had paid him, or what he might have received in goods or money, and then I would keep the current receipts of expenditures that would only be needed in making up a Dominion income tax, or municipal income tax form.

Q.—Is it correct that the only books you keep are those in which you show payments to hired help?

A.—No, not necessarily.

Q.—No.

A.—Just a minute, get that perfectly clear. The only book in book form that I kept was the record of hired help that I paid, but I kept the receipts of current expenditures.

Q.—What do you mean by a book that is not in book form?

A.—Records not in book form.

Q.—Well, then, let me read this answer at page 773 in your evidence last year:

"I never had any books in my life, other than to keep receipts of payments in connection with my hired labour as the payments were made to them, as they were kept by the year."

A.—That is quite correct. I have the receipts for current expenditures. It might be machinery, or it might be buying a new binder. It might be a dozen different things. I have those current expenditures in this book—

Q.—In this book in book form, why would you confine it to payments of wages?

A.—Why, for record purposes with my hired help.

Q.—Why did you limit it to that?

A.—Why, because it was all I needed. There was no limit to it. That was the extent of my requirements.

Q.—You say those are the only disbursements made or entered?

A.—In this particular book.

MR. MCBRIEN: In connection with the Overall Company, you are the controlling interest?

A.—No, sir.

Q.—I think you are the largest shareholder?

A.—It does not say I am the controlling interest.

Q.—I think if you would analyze the latest company return you would come to the conclusion that you were?

A.—No, you would not draw that conclusion from the latest return.

Q.—When did you get your stock from this concern?

A.—I have had it for a period of years.

Q.—How long now. This company was taken over, how long has your interest been—

A.—I have had indirect interests for several years.

Q.—What do you mean by indirect interest?

A.—Interest not appearing in my name. And then the investments that I made in the Kitchen Shirt and Overall Company were all made after the Government went out of power.

Q.—This Government?

A.—Yes, the Drury Government.

Q.—Did you pay for your interest in that company by cheque?

A.—I expect so, yes.

Q.—You know positively that you did?

A.—Well, I am not going to swear. I would say yes.

Q.—About how much have you invested in that company?

A.—Are you going in a circle?

Q.—No, I am not.

A.—You say I am the largest shareholder. The Provincial Secretary's Department ought to give you the information.

Q.—Do you decline to answer?

A.—I decline to answer what my private investments are in any company.

Q.—Would they total \$200,000 in that?

A.—They would not total one-fifth of \$200,000 in that one. They would not total \$200,000 in all the companies I am interested in, of every kind and description, or anything like it.

Q.—Are you sure of that?

A.—I am positive of it.

Q.—In toto?

A.—What do you mean by in toto?

Q.—You mean they would not add up to that altogether?

A.—No.

Q.—Par value, or the selling value?

A.—Par value, plus common stock, selling value, any way you like to take it. The very highest figure you like to pick up, taking in common stock, what they give away with preferred, you could not get it up anywhere near it, adding in everything.

Q.—When did you become interested in the Consolidated Wax Paper Co.?

A.—I cannot tell you definitely. I think I had a small holding before I went out of the Government, I am not positive.

Q.—Have you increased it since?

A.—I have increased it just this last year, 1924. In fact, just before Christmas of last year, I took out another small block.

Q.—Paying a dividend?

A.—They have paid a dividend, yes.

HON. MR. PRICE: Mr. Biggs, you spoke about certain Ontarios that you had. How many Ontarios did you have?

A.—On the 1st February, 1921, the statement of Mr. Nash shows a purchase of \$20,000 of Ontarios, paid for by draft, \$16,000 in one block, apparently, and \$4,000 on the same day in another block. I don't know why they are entered in separate places.

Q.—You bought \$20,000, the first was in February, 1921. Now, when did you sell these?

A.—I turned in half of these during this period, from May 5th to September 28th.

Q.—From May 10th to September 28th, 1921, you sold \$10,000?

A.—Yes.

Q.—You still had \$10,000 left?

A.—Yes.

Q.—When did you sell that \$10,000?

A.—I cannot tell you offhand, unless we can take it from this statement. I know I sold them. It might be a year later, but I cannot recall the date.

Q.—Yes. I think November, 1922, shows that \$10,000 were sold?

A.—Yes.

Q.—Therefore, Mr. Biggs, that cleaned up your whole \$20,000?

A.—Yes. But at a later period, at a period, I think, in between—and this is strictly from memory, Mr. Chairman—before I sold the second I rebought Ontarios again.

Q.—Well, then, you had \$30,000?

A.—No, no, never more than \$20,000 at one time.

Q.—How long did you keep those Ontarios?

A.—Well, if this record is complete or correct, the 27th November.

Q.—1922?

A.—27th November, 1922, I sold \$10,000. And then later, if my memory serves me right, I traded \$10,000 Ontarios for \$10,000 Imperial bonds.

Q.—Well, what date would that be?

A.—Well, I think the records of the Harris company would show. It was brought out last year in evidence.

Q.—Was it 1922? You mentioned those Ontario bonds a little while ago?

A.—It was late in 1923, I think, that I sold or traded the Ontarios.

Q.—Then you have not had any Ontarios since 1923?

A.—No. Well, late in 1923, I think, if my memory serves me right. I might be out some short period, I cannot say.

Q.—What have these Ontarios got to do with this Provincial Securities Company stock, what have they got to do with that?

A.—They have nothing to do with the Provincial Securities Company.

Q.—What do you bring it up for?

A.—Simply to show that I did not get credit for dealing in Ontarios over a period that I turned them in, but I got credit for turning in other bonds that I did not turn in. That is why it was brought up.

Q.—Apparently on the first part of 1921 you got credit for \$10,000 which you sold, and in 1922 you got credit for \$10,000?

A.—Yes.

Q.—I cannot understand how you get credit for \$20,000 and still have \$10,000 left?

A.—I bought \$10,000 again.

Q.—You mean to say you really had three transactions?

A.—No, I had two transactions.

Q.—Three \$10,000 transactions?

A.—No, two.

Q.—Now, Mr. Biggs, is it not a fact that in 1921 you sold \$10,000 of these bonds to Browning and Harris, that is the Ontario bonds?

A.—Yes, exchanged.

Q.—What you are trying to say before the Committee is that you did not get credit for one \$10,000 lot of Ontarios?

A.—No, that is not what I said. I got credit for \$10,000, but as recorded in the books the value is all right, but the security turned in is not correct.

Q.—Your opinion is that those other entries of Winnipegs and Saskatchewan are really part of the \$10,000 instead of which you get credit for Ontarios?

A.—Well, that is the inference I would draw.

Q.—That is your contention?

A.—That is my contention.

Q.—But the record shows that you sold \$10,000 of those bonds in 1921 to Browning and Harris, is that right?

A.—The records do not show that I sold Ontarios.

Q.—Yes, this record does. You sold early in 1921 to Browning, Harris & Co. \$10,000 Ontarios, is that right?

A.—Yes.

Q.—Well, now where is your record of the sale then?

A.—My record?

Q.—Yes?

A.—I have no record of the sale.

Q.—Well, where do you get your information that that was sold. You have no record of it. Where do you get your information?

A.—Well, I have to build up my information, the same as Mr. Nash built his up. I sold them.

Q.—Well do you remember that yourself, or did you get it from some records?

A.—I got the fact that on February 1st I bought \$20,000 of Ontarios, which establishes the fact clearly that I had them to sell.

Q.—Well, but from what document did you get that?

A.—I did not get the sale from any document. I have the record distinctly here, that I had them in my possession to sell.

Q.—You had them in your possession to sell. Well, now, let me see. And you sold the second \$10,000 to Browning, Harris & Company in November, 1922?

A.—Yes.

Q.—That is right. Have you any record of that sale?

A.—No.

Q.—Have you any record that you got any cash for that sale?

A.—No.

Q.—Well, the only thing you have for that is recollection?

A.—Well, I would not say I have just recollection.

Q.—What evidence have you got to prove it?

A.—I haven't any direct evidence.

Q.—Well, there is no evidence then?

A.—No.

Q.—So that you say you sold the whole \$20,000 to Browning, Harris, Northey & Company, the first \$10,000 in 1921 and the second \$10,000 in November, 1922. That is right, isn't it?

A.—As far as I know.

Q.—And your statement is that the \$10,000 sold early in 1922 were substituted by Harris for Saskatchewan or Winnipegs or Grand Trunk Pacific bonds which the Provincial Securities Co. had as a part of the proceeds of these transactions?

A.—That is the way it would appear to be.

Q.—Yes, that is what you say. Now, Mr. Biggs, have you referred to Exhibit 191 on the 31st January, 1924, have you referred to that?

A.—No, I have not.

Q.—On the 31st January, 1924, you sold to Browning, Harris & Company \$10,000 Province of Ontarios. Now we have accounted for \$20,000. This is another \$10,000?

A.—Yes. Well, I submit that they sold the first \$10,000 at a date before I sold the second \$10,000. I distinctly remember purchasing \$10,000 and bringing my holdings of Ontarios up to \$20,000 again.

Q.—Well, then, what that really means, or did I understand you to say a little while ago you never had more than \$20,000?

A.—At any one time.

Q.—But you apparently had two \$10,000 transactions?

A.—I have had three.

Q.—And this is the third one?

A.—This is the third one.

Q.—Well, now, there is no record of where you purchased this \$10,000, the third \$10,000 in addition to the \$20,000?

A.—I cannot help that.

Q.—There is no record in the books is there? Have you any record?

A.—No.

Q.—Have you any record where you issued a cheque for it?

A.—Not that I can trace any.

Q.—Have you any record that you paid for it in cash?

A.—No.

Q.—You were in the habit of paying sums in cash?

A.—No.

Q.—I think I read that in your interview?

A.—That was paying for cattle.

Q.—You did it as a habit. You got it as a habit when you were a boy, paying for things in cash?

A.—Not paying for bonds in cash.

Q.—There is no record of this additional \$10,000 having been paid?

A.—No.

Q.—Now, Mr. Biggs, if that is the \$10,000 that you say was substituted, where is the record of this last \$10,000?

A.—Where is the record?

Q.—Yes? I cannot see any record?

A.—No, I quite agree that you cannot see any record here. We have just heard Mr. Nash say that the records are incomplete. In the first place, Mr. Treasurer, I have there a credit balance of selling with the Hamilton Harris firm, \$90,000 odd, and yet there is only a record of my receiving some \$55,000. Now, there would be a chance there of receiving over \$30,000 in bonds of some kind that are not recorded. Now, we know very well that if I sold to the Hamilton firm \$90,000 odd, that I received from the Hamilton firm an equal amount. That would be only common sense. Now, there is over \$30,000 of a credit standing with the Hamilton firm, owing to me, instead of my owing them, according to this statement they owe me \$30,000. Isn't it quite possible, under those conditions, that there might have been \$10,000 that is not on record there of Ontarios, or several different other things.

Q.—What you are trying to tell us—that on the first two \$10,000 transactions the records are correct?

A.—No, they are not correct at all.

Q.—And on the third transaction they are incorrect?

A.—No, I don't say so at all.

Q.—What is it?

A.—There is no record of the sale in any of Mr. Nash's statements, or in any of the Harris Company's statements.

Q.—How do you account for the fact that the books of the Harris Company record the purchase from you of \$10,000 1941 Ontarios, making a total of \$20,000, which agrees with the purchase which you made early in 1921. How do you account for that?

A.—I cannot account for it; the books are apparently incomplete.

Q.—There are those two transactions?

A.—There is one thing, Mr. Treasurer, that cannot be accounted for. The books would be \$30,000 out of balance as far as my account is concerned, and the balance is in my favour.

Q.—Of course, Mr. Nash has told you that he has tried to build up something and he has not got all the transactions?

A.—Apparently he has not got the second purchase of \$10,000.

Q.—Do you want to ask this committee to believe that you purchased \$20,000 of Ontarios in 1921, and you sold \$10,000 in 1921, and \$10,000 in November, 1922, and that you still had in January, 1924, another \$10,000?

A.—Do I want them to believe it?

Q.—Yes.

A.—I want them to sum up the evidence and believe whatever they think is right.

Q.—Let us get right down to the particular transaction. Do you want them to believe that you had that \$10,000 of Ontarios in 1924?

A.—Do I want them to believe?

Q.—Yes?

A.—Why, the records of the company show it.

Q.—The records of the company show that, and the records of the company show the other two sales?

A.—The records of the company do not show the other two sales.

Q.—Or the other two purchases?

A.—Oh, no.

Q.—Now, where do you say there has been any substitution?

A.—Where do I say there has been any substitution?

Q.—Yes?

A.—I say there is a mistake, as far as my account is concerned, of \$10,000 Ontarios.

Q.—You did not have \$40,000 Ontarios?

A.—Just wait a minute, you are roaming in your mind. I say that the records of the Harris Company of my account, the debit records, do not show the purchase of one block of \$10,000 of Ontarios. It also shows that on the debit side of my account in the Harris books that there is a balance in my favour of between \$30,000 and \$40,000.

Q.—Well, then, let us assume that the Harris books which we have showing the two transactions are correct, and where they do not show another transaction they are incorrect, is that it?

A.—No, I would not say so. The first purchase—

Q.—You say they are incorrect in some cases and not in others?

A.—The first purchase of Ontarios is set forth all right. The two sales of

Ontarios that are recorded here are again set forth where there were no sheets missing whatever.

HON. MR. MCCREA: Let me put this to you, Mr. Biggs: This securities day book purports to be a report of sales and purchases?

A.—Yes.

Q.—And from the statement which Mr. Nash has made up, it would appear that the sales by you to them were greater by some \$34,000 is it?

A.—Between \$30,000 and \$40,000.

Q.—Which is what they paid back to you?

A.—Yes.

Q.—Now, then, if this securities day book gives account of the sales and purchases, and if it truly represents the sales and purchases, that account would show this, that you had a credit balance of some \$34,000?

A.—\$35,000.

Q.—Yes, and if there was a cheque to you, or a settlement in any way to you by this company, other than by a sale or purchase of bonds, it would not appear in this book?

A.—I cannot say as to that. I do not know how far the entries go in that book. I may say, Mr. Chairman—

Q.—Just answer my question, Mr. Biggs. This only purports to deal with purchases and sales of bonds?

A.—Yes.

Q.—But if there was a credit balance due to you after the purchases and sales had been adjusted in this book, then the balance, whatever it would be, would be payable in cash, or show as a credit in your favour?

A.—I know, Mr. Chairman, but go entirely back of that, the Harris Company—

Q.—What is going through my mind, now, Mr. Biggs, is this, and I want to be fair to you, that this book shows the sales and purchases of the stock, and you say there is a credit balance due to you of \$34,000, which the missing sheets in the ledger would show, I suppose, what became of that difference, or what disposition was made of that \$34,000 in the balancing of your account?

A.—Yes, but the items are set forth in Mr. Nash's statement, from which he took his totals, are not all set forth in that book. Mr. Nash will correct me if I am wrong. He took the items that are set forth in my statement from that book, and he took part of his items from some cash book, from some ledger, and some from a cash book. They are not all taken from that book.

Q.—All right then, Mr. Biggs. The records then of this book, and the other books that were available to Mr. Nash would be all summarized, just an ordinary bookkeeping proposition, and put in the ledger account of this firm?

A.—I would expect so.

Q.—And those ledger accounts are missing?

A.—As far as I know, I don't know where the ledger sheets are. I don't know over what period they are missing.

Q.—Are the ledger sheets missing over this period?

A.—I don't know.

MR. NASH: There are no ledger sheets of Mr. Biggs' account.

HON. MR. MCCREA: Well, there are no ledger sheets of Mr. Biggs' account.

MR. WILSON: You are familiar with the Federal income tax return?

A.—Yes.

Q.—And you know that in that, you have to set out interest from bonds?

A.—Yes.

Q.—And there is one place for Dominion Government bonds, and there is another place for those bonds that are not exempt, and then there is a place for stocks of companies, and other bonds, miscellaneous. You are familiar with the different divisions in the form?

A.—Yes.

Q.—Well, now, in making up your returns—I am not going to ask you the amount, or anything of that kind—you would have occasion to fill in those different blanks?

A.—I would.

Q.—Well then, in order to do that you would have to be able to add the total for each subdivision that should go in, wouldn't you, for the year, is that right?

A.—Certainly.

Q.—And when you would clip a coupon from a bond, an interest coupon which you had purchased that year, in the middle of the year, although you would clip it for a whole year, you would have to charge against it, so that you would only pay income on half of the year?

A.—Correct.

Q.—Where did you keep your record in order to make up a correct return. Would that be from memory?

A.—No, I would not say it is all from memory.

Q.—Is it a loose leaf system, or from a book?

A.—From neither.

Q.—From what then?

A.—From memory largely.

Q.—You would gather a return for a period of twelve months, and you would make up that return in all its details from memory?

A.—At the present time we are dealing with a period five years ago. When I am dealing with an income tax return, I am dealing with it immediately after the end of that year.

Q.—Oh, yes. We will suppose you made your return up in the month of January for the year previous. What you say is that you rely on your memory for those different details in order to fill in those blanks?

A.—Yes.

MR. MACBRIDE: You left the inference with us to the effect that the information on the files of the Provincial Secretary's Department was public information?

A.—Yes, absolutely.

Q.—So that in making a search I was not getting any special consideration?

A.—If you drew that inference, well I know the difference.

Q.—Well, I did. I will be quite frank. I investigated four companies, and I found you had materially increased your holdings over a recent period of years?

A.—Yes, and did you find over a period of the last six or seven years—

Q.—I am asking you questions now. Going back to the Hamilton Dairy Company, that stock rose considerably over par?

A.—No, I don't think so.

Q.—Yes, it sells over par?

A.—No, it is not selling over par.

Q.—Did you acquire your last shares below par?

A.—No, I acquired them at par.

Q.—You are listed at \$88,900?

A.—Would you tell the Committee whether that is preferred or common.

Q.—We wont go into details?

A.—I will tell them it is half preferred and half common. All common stock is bonus stock.

Q.—Yes, but it is paying a dividend. The intrinsic value of the stock is based on what dividend it will pay?

A.—I suppose it is my fault the Hamilton Dairy Company has been a success.

Q.—I am only arriving at values?

A.—What has the Government got to do with that?

Q.—I am only bringing out the facts that the stock is at least worth more than par?

A.—You made the statement that I had over \$200,000.

Q.—I asked if your interests did not amount to \$200,000. In four companies you have \$152,000?

A.—I am proud of it.

Q.—You acquired those shares in recent years?

A.—Most of them.

Q.—And you had an investment of \$30,000 in the Kitchen Overall Company. The same thing applies to the Consolidated Wax Paper Company, that is a good paying company. It is public information anyway.

A.—All I have got to say right here is that if you want to be a gentleman you must stick to the questions and you would not delve into my private affairs, and my holdings in the different companies, and make them public property.

Q.—You have nothing to be ashamed of, have you?

A.—No, I have nothing to be ashamed of.

Q.—You told us you would come forward and give us all the available information that was necessary in regard to this transaction?

A.—I said I would give every available information necessary.

Q.—What about the Caldwell Company?

A.—I have no stock in the Caldwell Company that I paid for whatever.

Q.—The Dundas Fruit Company?

A.—No.

Q.—Did you have any interest in it?

A.—I did have a small interest.

HON. MR. PRICE: Did you get any given you?

A.—I have some—

Q.—Did you get that from the Harris Company?

A.—No, no.

Q.—You remember the Harris loan to Dr. Caldwell?

A.—I don't know anything about what Harris loaned to Caldwell.

Q.—Is that about the time that he withdrew. He was about to be nominated against you?

A.—I never heard of Dr. Caldwell being nominated for anything.

Q.—He was about to be nominated?

A.—Caldwell was president of the Liberal Association of Wentworth. W. H. Forebrook was nominated as Liberal candidate in North Wentworth; Caldwell was not nominated at all. You might as well get it perfectly straight, and Forebrook got cold feet and backed out.

MR. MCBRIEN: Or was he pulled off?

A.—You will have to ask Caldwell, because I did not follow the Liberals.

Q.—Harris was secretary of the Caldwell Company in 1921 when the name of the company was changed?

A.—The name of the company was changed in 1924.

Q.—He was secretary of the company then, was he?

A.—The name of the company was changed when I went into it, and Harris went out of it before I went in.

Q.—And you got holdings in that company for some consideration, and you laid out \$10,000 in the Harris Company?

A.—That was back in 1917 or 1918.

Q.—And the Commonwealth Life, you are interested in that?

A.—Yes, a small amount.

Q.—And the Arcade Company?

A.—No, I have no holdings in the Arcade Company at all. I had some shares which Mr. Nash's statement set out back in 1922 in the Arcade Company, but they have all been sold long ago. You might ask me one more thing, where I got the money to put into those concerns. And I can answer you, too.

THE CHAIRMAN: If you want to, Mr. Biggs, but it is half-past eleven.

A.—I can answer you fully where the money came from.

HON. MR. PRICE: Mr. Harris will be here in the morning and I think we can clean this up, and we can get the bookkeeper, too.

THE CHAIRMAN: It is half-past eleven, wouldn't it be a good time to adjourn?

HON. MR. PRICE: Mr. Chairman, I suggest that we adjourn till 10.30 to-morrow morning, but we ought to sit all day to-morrow and take one witness after another.

PUBLIC ACCOUNTS COMMITTEE.

Chairman: W. D. Finlayson.

Parliament Buildings, Toronto,
8th April, 1925, 10.30 A.M.

CHAIRMAN: Gentlemen, is it satisfactory to the members of the Committee to dispense with the reading of the minutes of the last meeting. Carried.

CHAIRMAN: There are certain witnesses here this morning and they are anxious to get away. If it is the pleasure of the Committee we will hear the directors of the Home Bank, who are here and Mr. Haney. Mr. Haney is not well and I promised his doctor we would take his first.

MR. SINCLAIR: Mr. Rowell and Mr. Tilley represent two of the directors and they have to be in court by eleven o'clock.

THE CHAIRMAN: Will it be satisfactory to wait a few minutes, Mr. Haney?

MR. HANEY: Yes.

THE CHAIRMAN: Do you wish to make a statement, Mr. Rowell or will you wait?

MR. ROWELL: It may only take a few minutes.

RICHARD P. GOUGH, sworn:

By MR. SINCLAIR: You were a director of the Home Bank in September, 1919?

A.—Yes.

Q.—And did you hold any other position at that time than director?

A.—I was vice-president of the Home Bank.

Q.—You knew Mr. McGarry, the Provincial Treasurer?

A.—Yes, I knew Mr. McGarry.

Q.—There was a loan put through of four million dollars by the Home Bank from the Provincial Treasurer's Office here, which had been completed on September 23rd, 1919, when you did first learn of this loan going through the Home Bank?

A.—Well, this particular loan, a loan as large as four million dollars, if it went through, went through the bond department. It may have come before the Board and it may not have come before the board, or it may have been brought up at a Board meeting I was not at. But I have no recollection of this particular four million dollar loan.

Q.—No knowledge of any arrangement between the Home Bank and the Province?

A.—No.

Q.—Not having any knowledge in connection with this matter, did you see anybody connected with the Province about this matter?

A.—No.

Q.—When did you first know there had been such a loan financed through the Home Bank?

A.—This particular loan had no significance to me until the Honourable Peter Smith—until some irregularities arose out of this loan about the commissions. It never had any significance to me more than any other loan.

Q.—When did you first have knowledge commissions were paid by the Home Bank in connection with the loan?

A.—When the investigation took place, the first time.

Q.—No commissions were authorized as far as you know by directors of the Home Bank?

A.—Never heard at all of such a thing, absolutely.

S. CASEY WOOD, sworn.

By MR. SINCLAIR:

Q.—You were a director of the Home Bank, in September, 1919, Mr. Wood?

A.—Yes.

Q.—Did you hold any other position other than director?

A.—No other position.

Q.—You knew the then Honourable Provincial Treasurer, the Honourable Mr. McGarry?

A.—Not at that time.

Q.—You have heard about this loan that has been discussed passing through the bank in September, 1919; when did you first know of this loan?

A.—I have no recollection of knowing it. I may have heard of it.

Q.—Did matters of this importance come before the Board of Directors or were they referred to the Head Office of the bank?

A.—The transactions of the Bond Department did not come before the directors as a matter of routine. They were left to the executive of the bank.

Q.—That would consist of what officers?

A.—General manager, and officers in the bond department.

Q.—The bond department was a separate department from the ordinary bank?

A.—Yes, run as a branch.

Q.—Well then, when did you first learn there had been such a loan put through with the Province?

A.—I have no recollection of it coming before a meeting until the question of the last year's meeting, the time when it was being investigated.

Q.—You have no recollection of hearing about it till it came up in a public way here?

A.—I may have heard; I have no recollection.

Q.—You have no recollection of it coming before the Board of Directors?

A.—No.

Q.—And did you see anybody about the matter at any time prior to its coming out in public here before the Public Accounts Committee?

A.—No.

Q.—There had been some commissions paid by the Home Bank in connection with this loan; were these commissions authorized at a Board of Directors' meeting?

A.—I never heard of commissions until it came before your committee last year and no commissions were then authorized.

Q.—No commissions were ever authorized by the Board of Directors?

A.—No.

Q.—Who would have authority to pay these commissions outside of the Board of Directors?

A.—There was no organization or any procedure by which anybody would have authority to pay commissions, except an instant loan to banks whatever that would be.

Q.—If any commissions were paid they were paid outside the authority of the Board of Directors?

A.—Yes.

Q.—And would be paid on the initiative of some of the head officers of the bank or bond department?

A.—I do not know of any having been paid.

Q.—You have heard of these being paid and the auditors show they were paid; the books show commissions were paid by the Home Bank. As far as you know, you know nothing about commissions having been paid to anybody?

A.—I know nothing at all.

Q.—Or authorized by anybody?

A.—No.

Q.—And have no knowledge of these transactions, or had no knowledge until the matter became a public matter through the Public Accounts Committee?

A.—That is correct.

Q.—After it became a public matter, did you make any investigations to find out anything about it at that time?

A.—No.

Q.—Up to the present time you do not know who authorized the payment of a commission?

A.—No.

Q.—You do not know who paid them?

A.—No.

Q.—You do not know who received it?

A.—No.

Q.—Know nothing about it?

A.—No.

HON. MR. MCCREA: You don't know if any were paid?

A.—No.

Q.—You do not know the evidence that has been given on the results of the Home Bank that shows commissions were paid?

A.—I am in no position to deny that.

THE CHAIRMAN: Mr. Wood says he does not know.

MR. SINCLAIR: Mr. McCrea puts it in the form of a denial—

MR. PROULX: Was it brought before the Board of Directors that there were large commissions paid by the bank?

A.—No.

Q.—How often did the Board of Directors meet?

A.—Once a week generally.

Q.—Were these commissions never brought before the Board of Directors?

A.—No.

Q.—Did the general manager have authority to do these things without consulting the Board of Directors?

A.—It depends what you mean by these things.

Q.—Payment of commissions to get deposits or payment of commissions for loans?

A.—I think that would be within the power of the general manager, and I do not know what those powers were. He was in charge of the business of the bank.

Q.—How long after the loan was completed that you heard of it?

A.—I do not recollect of it being brought to my attention before it was brought to the Public Accounts Committee.

Q.—I suppose it was shown on the books of the bank what profit the bank made?

A.—I do not know anything about profits except the auditor's report.

Q.—Was it shown on the statement that the directors would have to sign?

A.—It would not appear in the annual statement.

Q.—Did not the directors sign an annual statement which was sent to the Minister of Finance?

A.—The directors did not sign it.

CLARENCE F. SMITH, sworn.

By MR. SINCLAIR:

Q.—You were a director of the Home Bank in 1919?

A.—Yes.

Q.—At that time did you hold any other position than director in connection with the bank?

A.—No, sir.

Q.—Did you know Mr. McGarry, the Provincial Treasurer?

A.—No, sir.

Q.—When did you first learn of the loan of \$4,000,000 which was put through in September, 1919, with the Province of Ontario?

A.—Well, I read it in the newspapers after the investigation.

Q.—Last year?

A.—Yes.

Q.—Did transactions of the size of \$4,000,000 go through without the knowledge of the directors?

A.—Well, I never heard of that particular loan.

Q.—And no one said anything to you about it at all up until the time that the matter was before the Committee last year?

A.—No.

Q.—After it had come before the Committee here, did you make any enquiry about it?

A.—No.

Q.—Did not investigate to learn anything further about it after that?

A.—No.

Q.—And certain commissions were paid by the Home Bank in connection with this loan; when did you first hear of these commissions having been paid?

A.—Only what I read in the papers.

Q.—Nothing came up before the Board of Directors?

A.—No.

Q.—No discussion there in connection with commissions?

A.—Nothing at all.

Q.—What did you do when you had a board meeting?

A.—We would discuss different matters that would be brought up by the general manager, loans and other matters that would be brought before the meetings.

Q.—Loans would be brought up and discussed by the Board of Directors?

A.—Yes.

Q.—You have no recollection of this one?

A.—No.

Q.—Can you swear this one never did come before the Board of Directors?

A.—Not at any meeting I was at.

Q.—You can swear this never came before any meeting of the directors at which you were present?

A.—No.

Q.—Did you attend meetings regularly?

A.—Not very regular, I live in Montreal.

Q.—Did any other persons or the general manager or anyone ever tell you about this loan that was put through the bank?

A.—No.

Q.—Never heard of any commissions having been paid?

A.—No, never.

Q.—You were never consulted in any way regarding these loans as a director of the bank?

A.—No.

THE CHAIRMAN: Do any of the members wish to ask Mr. Smith anything further.

MR. GIBSON (Counsel for Mr. M. J. Haney): I am here as Mr. Haney's solicitor to-day. His position is hardly in common with the other directors. He has not had his trial as yet; on the one charge we were only arraigned yesterday, and as his counsel, I would like to reserve the right, while Mr. Haney is anxious as he is here to help the Committee all he can, I would reserve the right to tell Mr. Haney at the time I think certain questions should be answered or not. At the same time Mr. Haney is extremely anxious to help the Committee. And he has also been seriously ill and he is here to-day along with his doctor, who is looking after him and we are anxious to have him not subjected to a severe examination.

THE CHAIRMAN: The doctor spoke to me yesterday morning about Mr. Haney giving evidence and expressed a good deal of doubt as to his being able to stand any extreme examination. I told him I thought he should come and he could have his doctor and his solicitor here, and if Mr. Haney was suffering

we would not subject him to a severe examination. I think Mr. Sinclair will look after that, and that there will be no trouble.

MICHAEL JOHN HANEY, sworn.

By MR. SINCLAIR:

Q.—You were president of the Home Bank in September, 1919, Mr. Haney?

A.—Yes.

Q.—Colonel Mason was at that time general manager?

A.—Yes.

Q.—At that time did you know the Honourable Mr. McGarry, the Provincial Treasurer?

A.—I did.

Q.—How long had you known him prior to September, 1919?

A.—I suppose a couple of years. I was on the Resources Committee for the Province and I met him during the time I was connected with the Committee.

Q.—Now, there was a loan of \$4,000,000 put through with the Province of Ontario in September, 1919, with the Home Bank?

A.—So I understand, I have no recollection.

Q.—When did you first know of this loan being put through?

A.—It is possible I knew of it at the time, although I have no recollection. These things were being done by the management of the bank and I cannot fix any first time when I knew about this. I saw something of it in the papers and the knowledge I got from the papers.

Q.—Would a loan of this kind be passed without going through the Board of Directors?

A.—Yes, I think so.

Q.—Who would be authorized to negotiate such a loan on behalf of the bank?

A.—The general manager would probably negotiate it through the bond department.

Q.—The general manager had authority to negotiate a loan of this size, apart altogether from any directions from the bank directors?

A.—Yes.

Q.—You, in the position of President of the bank, would not know of it when it was going through?

A.—My attention might be called to it; I wouldn't say it would not make any impression upon me.

Q.—Can you tell us here this morning when you first knew of this loan going through with the Province of Ontario?

A.—It is a difficult question for me to answer. When I remember, I actually knew about it—when the matter came before the Committee.

Q.—Before our Committee last year?

A.—Yes.

Q.—Up until 1924 you had no knowledge of this loan having gone through?

A.—That I can remember. I think I want to qualify this by saying I probably had some knowledge at the time that the investigation was made, like other matters in connection with the bank.

Q.—Can you swear that no one spoke to you in September, 1919, about this loan?

A.—No, I can't swear that. I can swear I have no recollection.

Q.—You cannot swear you had no knowledge of this loan in September, 1919?

A.—I have no knowledge.

Q.—It is simply a matter that you do not remember and you cannot say positively you did not know of it at the time?

A.—No, I cannot say positively.

Q.—And can you swear that you did not discuss this loan with anybody in 1919?

A.—What do you mean by anybody?

Q.—Can you swear you did not discuss this loan with any officer of the Home Bank in 1919?

A.—No, I cannot swear that.

Q.—Can you say that you did not discuss it with anybody?

A.—No, I have no recollection.

Q.—You cannot say you did not discuss it?

A.—No.

Q.—In September, 1919, did you see Mr. McGarry?

A.—I have not any recollection that I remember of seeing him.

Q.—You cannot swear you did not see Mr. McGarry in the month of September, 1919?

A.—No, sir.

Q.—And this deal went through on the 23rd September, can you tell me any occasion during the month of September or October on which you saw Mr. McGarry?

A.—No, I cannot.

Q.—Can you swear that you did not see Mr. McGarry on any occasion during September or October, 1919?

A.—No, I cannot swear I didn't see him.

Q.—Your position is this: that as regards this matter you cannot say that you did know anything about it, but you cannot say you did not know anything about it?

A.—You are speaking about this matter—

Q.—Meeting Mr. McGarry?

A.—I had nothing to do with the loan and I did not see Mr. McGarry in connection with the matter.

Q.—You said a while ago you did not know there was such a loan?

A.—No, I do not remember.

Q.—The reason for saying that was you could not remember there was such a loan?

A.—No.

Q.—Now did you come up to the Parliament Buildings in September, 1919, on any occasion?

A.—I couldn't say that I did or didn't.

Q.—Will you deny it?

A.—No.

Q.—Do you remember coming up on any occasion?

A.—I do not.

Q.—Did you see any other member of the Government of that day, in September, 1919, about Provincial and bank matters?

HON. MR. MCCREA: What day?

MR. SINCLAIR: September 23rd, adjacent to that date, 1919.

HON. MR. MCCREA: Has he said he saw any member. You said did you see any other member. There is no suggestion he saw any member.

MR. SINCLAIR: You are getting it rather delicate.

HON. MR. MCCREA: You are getting it confusing on the record.

MR. SINCLAIR: Did you see any member of the Government on the 23rd day of September, 1919?

A.—Not that I recollect.

Q.—Did you see any member of the Government on September 23rd, 1919 at the Parliament Buildings?

A.—Not that I recall.

Q.—Will you swear you didn't?

A.—So far as my recollection goes.

Q.—Will you swear?

A.—So far as my recollection goes, I swear I did not.

Q.—Did you see any member of the Provincial Government on the 23rd September, 1919, at any place other than the Parliament Buildings?

A.—I have no recollection.

Q.—Will you swear you did not?

A.—So far as my recollection goes.

Q.—It is simply a matter of so far as your recollection goes; you cannot put it in the absolute positive and emphatic way that you cannot say you did not see Mr. McGarry or any other member of the Government on the 23rd September, 1919?

A.—I have no recollection.

HON. MR. MCCREA: He can only swear to his recollection.

WITNESS: That is all I can swear to.

Q.—You are positive in saying so far as "my recollection goes?"

A.—As far as my recollection goes. I am blind in one eye and might have seen them with one eye and not the other.

Q.—Did you see them with the one eye?

A.—No, I didn't.

Q.—And did you see any member of the Provincial Government at the Parliament Buildings during the month of September?

A.—So far as I recollect, no. I may have seen them though, I won't say I didn't.

Q.—You will not positively deny it?

A.—No.

Q.—Mr. Mathews says you frequently came into the Provincial Treasurer's office about that time; can you swear you didn't?

A.—I can swear I didn't go in frequently. I may have been in his office.

Q.—How often?

A.—I don't know.

Q.—Two or three times?

A.—I don't know.

Q.—You won't say how often?

A.—I will say if I was in there, I was in once.

Q.—You will admit you were in the Provincial Treasurer's office once in 1919?

A.—I won't admit it.

Q.—You say you may have been?

A.—I may have been.

Q.—You won't say you were not?

A.—I won't say; I do not recollect of being in or of not being in.

Q.—In September, 1919, did you take any message for anyone at the Home Bank to anyone at the Parliament Buildings?

A.—No, sir.

Q.—Will you swear you didn't?

A.—Yes.

Q.—No message of any kind?

A.—Yes.

Q.—And why do you say you are positive you did not when you cannot be positive about anything else on that day?

A.—Well, that is my recollection.

Q.—Your recollection is clear that on the 23rd September, 1919, you did not take any message from the Home Bank to anyone at the Parliament Buildings?

A.—So far as my recollection goes.

Q.—You said you were clear?

A.—I am clear on that.

Q.—You say you were clear on that?

HON. MR. MCCREA: You asked him if he took any message; he said he didn't.

MR. SINCLAIR: He says he is clear on that.

Q.—You are positive about that?

A.—I am positive.

Q.—You don't remember whether you went to the Parliament Buildings on that day, but you were sure you did not take any message that day?

A.—If I didn't go, I didn't take any message.

Q.—You are sure you didn't take any message and you are sure you didn't go?

A.—I didn't take any message.

Q.—Will you swear you didn't go?

A.—I cannot swear, or any other day; I cannot fix that day.

Q.—You will swear that very day, you took no message whatever; you cannot swear you did not go?

A.—I did not take any message that day, and I did not take any message any day.

Q.—You did not remember taking any any day, so therefore you did not take one that day?

A.—23rd September has no significance to me. You speak of it because it was brought up in evidence; it is the same as any other day.

Q.—It seems to be a kind of a blank to everybody except the Home Bank?

A.—It is a long time ago.

Q.—You were president and knew nothing of this loan?

A.—No, I didn't say I did not know anything about the loan. I said my attention might have been called to it and probably was, by the general manager.

Q.—You have had an opportunity to think of this from last year to this year, now tell us what you do know about the arrangement of this loan with the Province of Ontario?

A.—I have no knowledge at all.

Q.—You were president of the bank and have no knowledge of a four million dollar loan?

A.—No, it went through in the ordinary way, I expect.

Q.—You have no knowledge of the general manager telling you he was putting it through?

A.—No.

Q.—When did you get your first information, through the Home Bank?

A.—I cannot say.

Q.—You may be able to tell us approximately?

A.—I cannot say.

Q.—Was it before the matter came up before the Public Accounts Committee?

A.—I cannot say.

Q.—You don't remember that?

A.—No, I do not.

Q.—And would the general manager have authority to handle large transactions like this without consulting any officer of the bank?

A.—I think so.

Q.—He could hand a four million dollar loan without seeing the president, director or anybody?

A.—Yes.

Q.—He had these wide powers in connection with the Home Bank?

A.—Same powers of any manager of the Home Bank whatever they are.

Q.—You knew nothing at that time about this loan and know nothing now?

A.—I won't say I know nothing about it; I did not say.

Q.—What do you say?

A.—What I say is this. Let me state it my own way. As president of the bank, it is quite possible the general manager mentioned this loan to me. I presume I would have said to him as well as anybody else, if you are making money for the bank out of it, put through the deal. I have no recollection that that is what actually occurred.

Q.—We are taking evidence here and you swear you have no recollection of this loan going through?

A.—Yes, I swear that.

Q.—Can you tell us who authorized the commission to be paid?

A.—I don't know anything about commissions.

Q.—When did you first know about commissions having been paid?

A.—Well, I never knew.

Q.—Didn't you learn from the evidence of the Public Accounts Committee last year that commissions had been paid?

A.—I was ill, I couldn't read and I couldn't listen to anybody read for nearly a year. It is only recently that my mental reasoning has come back.

Q.—When the Public Accounts Committee were sitting you did not know what we were doing?

A.—No.

Q.—Nobody read papers to you?

A.—No, at that time.

Q.—No one came and told you the commissions had been paid by the Home Bank to some person?

A.—Mr. Chairman and Mr. Clark came and saw me and asked me about some evidence that had been given by Mr. Whittaker and I prepared and signed an affidavit. I don't remember just now what it was. It will speak for itself.

Q.—So that all you know about commissions is what you learned from the gentlemen who went to see you on that occasion?

A.—Yes.

Q.—Before they went you had no knowledge there had been any discussion about commissions?

A.—No.

Q.—You had never heard it mentioned by anybody before they went to see you?

A.—No.

Q.—You had not read of it in the papers?

A.—No.

Q.—The information which they gave you on that occasion was the first information you had about commissions?

A.—Yes.

Q.—You had never heard it mentioned in the Home Bank office?

A.—Never.

Q.—Never had been discussed by any officer of the Home Bank with you when it was going through or after the deal had been closed?

A.—No.

Q.—Now you made a declaration Mr. Haney last year for the Public Accounts Committee?

A.—Yes.

Q.—And the only information you had as to what was going on was the information you received from those who visited you?

A.—Yes. That is right.

Q.—Who prepared the declaration; I suppose you did, you said you prepared one?

A.—No, it was prepared by Mr. Clark and Mr. Finlayson, I think in my room.

Q.—How long were they there?

A.—I don't know, half an hour or three-quarters of an hour.

Q.—I suppose they outlined to you the evidence that had been given in the Public Accounts Committee?

A.—I presume so, I don't remember.

Q.—Can you tell why the name of Mr. McGarry was mentioned in the declaration?

A.—I don't know why except I presume in the discussion his name came up; I cannot tell any special reason.

Q.—Were you told that Mr. McGarry had been mentioned in connection with this?

A.—I couldn't say, I presume so.

Q.—How sick were you when you made this declaration?

A.—I was suffering excruciating pain and all the rest of it, and it was for months and months afterwards.

Q.—You say that for some months prior to this your memory had not been quite keen?

A.—Not very keen.

Q.—Can't you tell me why the name of Mr. McGarry figures in this declaration?

A.—I cannot.

HON. MR. MCCREA: Read the declaration to Mr. Haney now, in fairness to him.

MR. SINCLAIR: (Reads declaration).

Q.—Now can you tell me how the name of Mr. McGarry happened to be in the declaration?

A.—Well, no, I cannot. He was the Treasurer and connected with the matter that was referred to, I presume, in the discussion at the time.

Q.—Were you told Mr. McGarry had been charged with anything in connection with this?

A.—I cannot say: I presume I was; I do not know.

Q.—You have really no recollection to-day of what took place the day that declaration was made?

A.—Except so far as the declaration speaks for itself.

Q.—The declaration speaks for itself?

A.—Yes.

Q.—You cannot tell me anything that took place at the time you took the declaration?

A.—I think it was all embodied in the declaration.

Q.—You cannot tell me any particular discussion that took place between yourself and the members who were there?

A.—No.

Q.—You cannot tell us anything that took place in your room that evening?

A.—No.

Q.—All you know now is that declaration was taken by you which I have read before?

A.—I assume that is the declaration.

THE CHAIRMAN: Mr. Sinclair will remember Mr. Clark—that was following up what Mr. Clark said we should get.

MR. SINCLAIR: No, it was not. I have read the evidence pretty well and Mr. McGarry's name had not been mentioned—

HON. MR. MCCREA: The whole transaction was hinged on Mr. McGarry, that he was getting something from Mr. Haney.

MR. SINCLAIR: Were you told that evening that Mr. McGarry was charged with having received money from you?

HON. MR. MCCREA: That evening.

MR. SINCLAIR: It was in the evening they went.

Q.—Were you told by the members of the Committee who went to see you that Mr. McGarry had been charged with getting some money from you?

A.—I cannot remember that I was told that specifically.

Q.—You cannot remember whether it was said or whether it was not said?

A.—I assume from the tenor of the affidavit that the inference was that that was the case. That is as far as I remember.

Q.—Were you told what evidence was given; were you told what witness was giving evidence before the Public Accounts Committee in connection with this matter?

A.—I have a recollection of having been told Mr. Whittaker gave evidence.

Q.—Were you told what evidence Mr. Whittaker had given?

A.—I presume so.

Q.—Were you told?

A.—I do not know, I presume.

Q.—Can you tell to-day whether you were told what evidence Mr. Whittaker had given?

A.—Nothing beyond the affidavit; I can't remember.

Q.—You do not remember to-day having been told anything about the evidence which had been given?

A.—I cannot say.

HON. MR. PRICE: A copy of it is in the minutes.

WITNESS: I cannot say.

MR. SINCLAIR: You signed this declaration did you, Mr. Haney?

A.—I signed a declaration anyway.

Q.—The declaration was drawn in your room?

A.—My room.

Q.—After a conversation with you?

A.—With me.

Q.—You cannot tell us any more than in the general way you have told us of what information was given to you on which you based your declaration?

A.—No.

Q.—You cannot mention any one specific thing to-day that was told you that evening to enable you to give evidence for the Public Accounts Committee?

A.—No, I have no recollection any more than would be embodied in the affidavit itself.

Q.—Why do you think it would be what was embodied in the declaration?

A.—I do not know what you mean.

Q.—You say you cannot remember any more than what was embodied in the declaration; what makes you think your conversation was limited to what is embodied in the declaration?

A.—I cannot think of anything else; I don't know just what you mean.

Q.—I do not want to bore you?

A.—I am dense probably.

Q.—Not a man of your nationality. What I want to get at, Mr. Haney, is what information did you have given to you on which you took this declaration?

A.—I was told about Whittaker's evidence.

Q.—What did they tell you about Whittaker's evidence?

A.—I don't know.

Q.—Were you told about anything else?

A.—It is quite possible I was.

Q.—Were you told anything about Mr. McGarry?

A.—I don't know, I may have been; I do not say I was or was not.

Q.—How were you able to take a declaration or affidavit such as that?

A.—I took a declaration on what was told me at the time. To analyze that in a general way, to analyze that, I cannot say whether they mentioned Mr. McGarry or any other members.

HON. MR. MCCREA: I think this will clear it up. Evidence had been taken where it had been decided to hear from Mr. Haney.

"MR. CLARKE: Mr. Haney is a very sick man, no doubt. Mr. Haney can quite conscientiously and honestly say that he never took a dollar up to the Parliament Buildings or any place else, but it appears to me that he is that sick that we cannot go into a cross-examination. I do not think I would have taken it up to the Parliament Buildings, if I had been Haney. I would have had somebody else do it. So that there are lots of things to be got out of it.

"MR. CURRIE: Don't try to twist out of it.

"MR. CLARKE: The very fact of the man going in and seeing Mr. Clarkson, and I have every faith in Mr. Clarkson—the Committee would have to say to Mr. Haney: Mr. Haney you are charged by so and so that you got a cheque or cash for \$25,000 and took it up to the Parliament Buildings. Supposing he takes an affidavit that he did not do it, and it would be perfectly straight and true, still there are lots of avenues by which it might reach the Parliament Buildings. Even if you get his affidavit that he did not get it or deliver it, you are not out of the difficulty."

That, apparently, applies to what Mr. Clarke says. It was agreed that Mr. Haney was too sick to be called immediately as a witness, and this was before Mr. Clarkson and the Chairman went to see Mr. Haney. All through Mr.

Whittaker's evidence an attempt is made to show that this message or money that went to the Parliament Buildings went to Mr. McGarry. It is all down here.

MR. SINCLAIR: You say the evidence shows it did.

HON. MR. MCCREA: I will read you what Mr. Whittaker says:

"MR. SINCLAIR: Apparently they were pretty close to it, when the money was going to the Parliament Buildings on the day of the loan, and he got this from his superior officer, Col. Mason.

"THE CHAIRMAN: Ask him what Col. Mason said to him.

"MR. SINCLAIR: What did Col. Mason say to you?

A.—He said \$25,000 is going to the Parliament Buildings.

Q.—On that day?

A.—On that day.

Q.—Did he tell you how it was going to go?

A.—Yes.

Q.—Well, what did he say as to how it was going to the Buildings?

A.—It was going to the Buildings by Mr. Haney.

Q.—And Mr. Haney was then what officer of the bank, or was he any officer?

A.—He was president of the bank.

Q.—Mr. Haney was president of the bank, and that this money was going to the Parliament Buildings in the hands of the president of the bank?

A.—Yes.

"HON. MR. PRICE: Mr. McGarry seemed to think that Mr. Haney was not president of the bank at that time.

"HON. MR. MCCREA: Do you swear that Mr. Haney was president of the bank in 1919?

A.—Yes.

"MR. SINCLAIR: Now what else did you hear from Col. Mason?

A.—What do you want to know?

Q.—Well, about this very transaction. I do not want to put words in your mouth.

"COL. CURRIE: Go ahead, Whittaker, and tell your story and stop chewing gum."

HON. MR. MCCREA: When this declaration came back, Clarke was one of the first to express surprise.

Q.—You didn't see Mr. McGarry hanging around the bank that day, did you?

MR. SINCLAIR: That was not at the Parliament Buildings.

HON. MR. MCCREA: You didn't see Mr. McGarry around the bank when any \$25,000 transaction like that was going through?

A.—No.

Q.—You always understood that Mr. McGarry was a man of honour?

A.—Yes.

Q.—If you had your choice to say, which would you trust \$25,000 with, Mason or McGarry quicker?

A.—McGarry.

Q.—Now who would you believe first, McGarry or Mason?

A.—McGarry."

MR. SINCLAIR: He had admitted Mr. McGarry hadn't anything to do with it.

"HON. MR. MCCREA: Q.—Do you believe now that Mr. Mason gave that money or sent it up to the Parliament Buildings?

MR. SINCLAIR: Oh, here now. Surely, Mr. Chairman, this thing has gone as far as it is going to go,—it must be stopped somewhere, asking a man if he believes.

"MR. CURRIE: We have asked that question a thousand times here. You have got yourself into a mess here to-day."

"MR. CURRIE: Do you know Mr. McGarry?

A.—Yes.

Q.—And you know Mr. Mason?

A.—Yes.

Q.—Which one would you believe first?

A.—Mr. McGarry."

MR. SINCLAIR: In addition, Mr. McCrea, all the evidence had been to the effect of McGarry having nothing to do with it. Mr. Haney, a sick man, had said in his affidavit that McGarry had nothing to do with it.

HON. MR. RANEY: Is not this a matter for argument?

HON. MR. MCCREA: The public will decide it.

By Mr. Sinclair:

Q.—Did the Committee read over to you Mr. Whittaker's evidence that was taken before the Committee?

A.—I have no recollection that they did.

Q.—Simply gave you an outline of what had been said:

A.—That is my recollection.

Q.—To-day you cannot remember anything that happened in your room that night other than the fact that you took this declaration?

A.—No, I do not remember.

Q.—You cannot give us any recollection of anything that took place that night?

A.—No.

Q.—Your mind is just as clear in regard to what took place in your room that night as it is to what took place on September 23, 1919?

A.—By comparison, I could not answer that.

Q.—You have told us you remember nothing about September 23, 1919, and nothing of what took place when these gentlemen visited you?

A.—I have told you all I can recollect.

THE CHAIRMAN: He has no way of fixing it. He does say positively he never took any message.

MR. SINCLAIR: At the start of your examination you stated to this committee, Mr. Chairman, that Mr. Mathews had said that about the time of the Home Bank loan, Mr. Haney was up several times. What the evidence says is this, at page 10:

"Did you see anyone from the Home Bank in connection with this?

A.—My recollection of it is that Mr. Haney came up to see Mr. McGarry several times prior to the loan. Subsequently, I think arrangements as to the details were made through Mr. Fleming, head of the bond branch."

So that he confines himself to several times prior to the making of the loan. He heard of the loan at the time the deal was consummated. His evidence shows that.

HON. MR. MCCREA: The evidence speaks for itself. The natural inference that can be put on Mathews' evidence is that Mr. Haney was at the office several times shortly before the consummation of the loan.

MR. SINCLAIR: It is a marvellous thing if a member of the Public Accounts Committee cannot be allowed to pursue an examination without so much objection.

HON. MR. MCCREA: I object to your putting a lot of things into the mouth of the witness.

MR. SINCLAIR: I have put nothing in the mouth of the witness. At different times members of this government have put something across where I have been asking questions.

By MR. SINCLAIR:

Q.—You have not a definite recollection in connection with the negotiation of this loan in September, 1919?

A.—I have none.

Q.—Do not remember anything about it?

A.—Nothing specific.

Q.—Do you remember anything generally about the negotiating of the loan in September, 1919?

A.—I do not know what you mean.

Q.—You said "nothing specific," do you remember anything whatever about the negotiating of this loan in September, 1919?

A.—I have no knowledge.

Q.—That means you do not remember?

A.—Yes.

Q.—Do you remember anything about any commissions being paid in September, 1919?

A.—No, nothing about them.

HON. MR. MCCREA: Knows nothing about commissions.

MR. SINCLAIR: No. He says he remembers nothing about the loan being negotiated and commissions being paid.

Q.—Do you remember anything that took place on or about April last when members from this committee visited you?

A.—I have a recollection of taking an affidavit.

Q.—Have you a recollection of anything else?

A.—How do you mean?

Q.—Any other conversation or anything that took place in your room that night?

A.—I do not know how I can answer the question. I do not know much about it.

Q.—Do you remember anything that anyone said to you?

A.—All I can say is a couple of gentlemen came to the room.

Q.—You do not remember what was said?

A.—An affidavit was prepared and I signed it.

Q.—What information was given to you, Mr. Haney?

A.—I do not know.

By MR. PROULX:

Q.—You spoke in your declaration about party funds. Did anybody who went to your room to get your declaration speak to about party funds?

A.—I cannot say.

HON. MR. MCCREA: About what?

MR. PROULX: Party funds.

WITNESS: It could not have been embodied in the declaration.

Q.—Did you meet Mr. McGarry during September, 1919, at any other place than the Parliament Buildings?

A.—I do not remember that I met him at the Parliament Buildings. I saw Mr. McGarry very little, except when I was chairman of the Resources Committee.

Q.—Did you see him in September, 1919, about getting this loan for the bank?

A.—No, I did not see him.

Q.—Did you solicit any business from Mr. McGarry?

A.—What time?

Q.—In September, 1919?

A.—I do not think so, I have no recollection.

Q.—Did you see anybody else connected with the Government with respect to this loan in 1919?

A.—I do not think so, I did not see anybody in connection with the loan.

Q.—Did you give any money to anybody in September, 1919, in connection with this loan?

A.—No, sir.

Q.—I mean to any person?

A.—No, sir, I didn't.

Q.—Did you bring any money to the Parliament Buildings in a cigar box, in 1919?

A.—I did not.

Q.—Did you leave the Home Bank on the 23rd September, 1919, with any money?

A.—Not that I know of.

Q.—You should have a good recollection.

A.—I did not.

Q.—We want to be positive, Mr. Haney, about this matter. Did you pay any money in September, 1919, or in October, 1919, to Mr. McGarry or to any person in connection with this loan?

A.—I did not.

Q.—Did you contribute to the party funds of the Conservative party in 1919?

A.—I am a Liberal.

Q.—Yes, I have known Liberals contributing to party funds of their enemy when it suited their purpose, and I know Conservatives.

A.—I always try to stick to my party.

Q.—The Home Bank had got large deposits from the Government shortly before this loan was transacted?

A.—The records will show.

Q.—And your bank was very generous in paying commissions for getting large deposits?

A.—I did not hear about that except after I left the bank.

Q.—Have you heard about Mr. Richardson getting large commissions?

A.—I saw something about that in the paper, That was long after I left the institution.

By HON. MR. MCCREA:

Q.—What time did you cease to be president?

A.—The end of 1919.

MR. PROULX: In 1919, Mr. Haney, you signed the returns or the reports to the Department of Finance?

MR. GIBSON: Mr. Chairman, I think I will have to ask my client not to answer any questions of that kind. I regret to take that position. We are under a couple of indictments. I do not wish to shut anything out. Mr. Haney is exceedingly anxious to help the Committee, but that is going into something which comes absolutely within the scope of the proceedings in the other courts, and I am very sorry that I will have to ask my client not to answer it.

HON. MR. PRICE: I do not think Mr. Proulx intended that.

THE CHAIRMAN: I do not think Mr. Proulx wants to embarrass him.

MR. PROULX: I want to put the same question as was put to Mr. Wood.

MR. GIBSON: In case you do not exactly understand, Mr. Haney's position is not like Mr. Wood's. Mr. Haney has not had his trial, Mr. Wood has.

MR. PROULX: I want to ascertain whether the returns showed any commissions paid for getting deposits or for transacting this loan, and to ascertain what profits were made by the bank on this business. I do not suppose that would prejudice Mr. Haney. I want to know whether Mr. Haney saw by the reports prepared by the general manager, and which he signed, the amount of profits made by the bank, and the amount of commissions paid by the bank on the transaction of this loan.

MR. GIBSON: If I might be allowed to speak again. I have seen a lot of these annual statements in connection with banks, and items of that kind are simply put in these annual statements in a lump sum.

THE CHAIRMAN: I think we are all sufficiently familiar to know there is no provision in returns for setting out commissions.

MR. PROULX: It does not give matters in detail.

THE CHAIRMAN: What you are thinking of, probably are, the returns which are made to the Ontario Government, but the bank returns do not make provision for setting out details of that kind.

By MR. PROULX:

Q.—Mr. Wood said that the directors held weekly meetings. Were you present at all those meetings, Mr. Haney?

A.—I cannot say I was present, most of them I suppose.

Q.—Can you recollect at any of the meetings at which you were present that this question of the profits made by the Home Bank and commissions paid by the Home Bank with regard to transactions came up?

A.—I never heard the term commission discussed.

Q.—What did you hear discussed in connection with this particular loan?

A.—I didn't hear anything discussed.

Q.—Did you hear how much profit the bank made?

A.—I did not.

Q.—Did you hear how much the bank disbursed?

A.—No.

Q.—Out of these profits?

A.—I did not.

Q.—Did you hear about any rebate paid to the Government?

A.—I did not.

Q.—Did Mr. Mason say he had paid a rebate to the Government of \$15,000?

A.—He didn't tell me.

By HON. MR. MCCREA:

Q.—About this Resources Committee, what was that Resources Committee?

A.—Well, it was a committee to accentuate—

Q.—It was a war committee as I recollect?

A.—Yes, the Government was giving assistance to produce everything that might be required.

Q.—Do you remember what year the committee was formed?

A.—I cannot say.

Q.—I think it was about 1916 or 1917, but I am not sure?

A.—About that time.

Q.—Do you remember what other members were on the committee besides yourself?

A.—Mr. Cook, of Ottawa.

Q.—Lloyd Harris?

A.—No, he was not on that committee, but Rundle was, W. E. Rundle, and I cannot remember—these two men I remember particularly.

Q.—Do you remember who was chairman?

A.—I was chairman.

Q.—It was a committee as I recollect that was selected by joint arrangement in the House?

A.—Yes, and I was told my name was proposed by the Leader of the Opposition and Government at the time. I felt a bit honoured, and was elected chairman.

Q.—You were elected by acclamation?

A.—Certainly.

Q.—That Resources Committee in its work was under the direction of what Minister in the Government?

A.—The Treasurer, I think, because he had to provide the money.

Q.—That is Mr. McGarry?

A.—I think so. I know that this was under his direction.

Q.—In the course of that work I think you told the Committee, in the early stages, was when you came in contact with Mr. McGarry?

A.—Yes.

By MR. SINCLAIR:

Q.—What year was that in?

A.—That was in 1917-18-19.

Q.—The war was over in 1919.

A.—We were winding up the affairs of the committee

Q.—You said that you did see Mr. McGarry in September, 1919?

A.—I may have seen him, I couldn't say.

Q.—Could you tell us what your business was with him when you saw him?

A.—No.

HON. MR. MCCREA: He did not say he saw him.

WITNESS: I did not say I saw him.

HON. MR. MCCREA: You want to put the question to him that he does not answer at all.

MR. SINCLAIR: Is not that a sign of a good counsel?

MR. PROUX: Did not Mr. Haney admit at the beginning of Mr. Sinclair's examination he saw Mr. McGarry in 1919?

MR. SINCLAIR: May or may not.

THE CHAIRMAN: He cannot fix the 23rd September, but says definitely he never brought any message or any money.

By MR. SINCLAIR:

Q.—You cannot swear you did not see Mr. McGarry in September, 1919?

A.—I cannot swear I did not see anybody.

Q.—Can you swear you did not see McGarry in September, 1919?

A.—No.

By MR. PROULX:

Q.—Can you swear that you did not pay any money in 1919?

A.—I can swear that I did not.

Q.—I do not mean party funds, I mean any other purpose?

A.—Or any other purpose.

By MR. WIDDIFIELD:

Q.—The witness Whittaker, who gave evidence in April last year, what was his official position in the bank?

A.—I really do not know. I regarded him as a clerk when I was there. Whether it was changed afterwards I do not know.

Q.—I think he gave evidence in April last year as supervisor at the time in question, and as such what would his duties be?

A.—I do not know whether he was supervisor, the minutes would show.

Q.—If he were supervisor what would be his qualifications as to keeping tab of disbursements? Would he be particularly qualified?

A.—I do not know what he would be. It might be changed from time to time. A supervisor generally is a man who has supervision over the affairs of institutions, and I suppose a bank is the same as any other institution. Sometimes they have executive powers and sometimes they have not.

By THE CHAIRMAN:

Q.—He described himself as general supervisor, junior, when he was giving evidence.

A.—My recollection of Mr. Whittaker was he was a good mathematician and was able to calculate interest and discount and that he was a very valuable man. I had nothing to do with him personally.

By MR. WIDDIFIELD:

Q.—Apparently the three offices which seemed to overlap, three very important offices, the general manager, the president and supervisor—now among these three apparently nobody from anyone of them is able to give very good evidence for some reason.

A.—I am sorry.

HON. MR. MCCREA: We have not been able to get witnesses.

By HON. MR. RANEY:

Q.—Did you know of any contribution by the Home Bank or anybody connected with the Home Bank to any election fund in 1919?

A.—I did not.

Q.—Did you hear of any such contribution?

A.—I did not hear of any. Except after this public investigation, I suppose I have seen in the press, but I do not know whether it was an election fund or not, some moneys were mentioned.

Q.—Did you know of any moneys going out from the Home Bank in the autumn of 1919 for any irregular purpose?

A.—Certainly not.

Q.—For any purpose that was not strictly business?

A.—I did not.

Q.—Or of any moneys going out from Mr. Mason for any purpose that was irregular?

A.—No, I did not.

Q.—I think it is only fair to you, Mr. Haney, that I should read to you a few questions and answers from the examination of Mr. Whittaker just to get your comment on them. Mr. Widdifield asked Mr. Whittaker:

“Mr. Whittaker, you have said that Col. Mason told you he was going to send \$25,000 up to the Parliament Buildings?

“A.—Yes.”

Then further down:

“Why did he tell you he was going to send it up?

A.—Unless because he was afraid I might discover it and ask him.

Q.—Why should he be afraid that you would discover it,—because you were supervisor?

A.—Yes.

Q.—Then you did not, as supervisor, if you were suspicious that there was anything irregular about it, follow the matter up at the time?

A.—I did not know of the matter at the time.

Q.—Are you sure he did not say anything more about what the \$25,000 was for?

A.—Yes.

MR. CLARKE: He told you that there was \$25,000 coming up?

A.—Yes.”

That is, Mason told Whittaker.

“Q.—Mr. Mason came into your office?

A.—Yes.

Q.—Now what led up to the fact that he told you about this \$25,000 that the president was going to handle and take up to the Parliament Buildings?”

Q.—You were president?

A.—Yes.

“A.—We were standing looking out of the window.”

That is, Whittaker and Mason were looking out of the window.

“Q.—Yes, naturally, what did you say?

A.—I saw the car going with—

MR. CURRIE: You saw a car?

A.—I saw the Bank's car going with Mr. Haney in it, leaving the office with Mr. Haney in it.

MR. CLARKE: That was the same day and the same time that the late General Manager told you that Mr. Haney had \$25,000 to take up to the Parliament Buildings?

A.—Yes.

Q.—The same day?

A.—Yes.”

Q.—Mr. Haney, I ask you what your comment is on that statement, the statement of Mr. Whittaker that he and Mr. Mason were standing at the window overlooking the street and you were taking a car and going away towards the Parliament Buildings, and Mr. Mason told Mr. Whittaker you were taking \$25,000 to the Parliament Buildings?

A.—So far as my comment is concerned it would be only what refers to me, I presume?

Q.—Yes.

A.—I cannot say I was not in the car. I cannot say I did not go to the

Parliament Buildings. I can say I did not have \$25,000 or anything else to take anywhere.

Q.—Do I understand you to say you never took \$25,000 or any other sum of money from the Home Bank to anybody?

A.—Yes.

Q.—You make it as broad as that?

A.—Yes.

Q.—You never took out any sum of money whatever?

A.—No.

Q.—To anybody anywhere?

A.—That is what I say.

Q.—At any time?

A.—Yes.

Q.—Mason's statement concerning you was pure fiction?

A.—Mason's?

Q.—The statement to Whittaker?

A.—I am not passing judgment on their statement.

Q.—There was no foundation as far as you were concerned?

A.—No.

Q.—You put that in the broadest possible way?

A.—Yes.

Q.—You had nothing to do with any transaction of that kind?

A.—I had not.

Q.—Either with Mr. McGarry or anybody else?

A.—Anybody else.

Q.—You knew nothing and heard nothing of any contribution by the Home Bank or anybody connected with the Home Bank to any party fund?

A.—I knew nothing of it.

Q.—Or the payment of any commission?

A.—No.

Q.—On any transaction?

A.—No.

Q.—To anybody?

A.—To anybody.

Q.—You knew nothing of any irregular transaction by which money went out of the Home Bank?

A.—I knew nothing about it.

By MR. SINCLAIR:

Q.—Did you on any occasion in September, 1919, go to the Parliament Buildings with any letter or envelope?

A.—No.

Q.—You will swear you did not?

A.—I will swear I did not. In connection with that?

Q.—In connection with anything. Did you leave the Home Bank with a letter from Col. Mason or anybody else to go to the Parliament Buildings or any other place?

A.—I did not.

Q.—You swear you did not?

A.—Yes.

Q.—Or any package or anything else?

A.—I swear not.

By MR. PROULX:

Q.—Mr. Haney, were you in the habit of riding in the bank's car?

A.—I drove in the car that was owned by the bank from time to time.

Q.—Did you often ride in the bank's car?

A.—Not very often.

Q.—Do you remember riding in the bank's car in September, 1919?

A.—I do not.

THE CHAIRMAN: Is that all, gentlemen? Mr. Haney is not well.

J. T. WHITE, Sworn:

By MR. SINCLAIR:

Q.—What is your occupation, Mr. White?

A.—Solicitor to the Treasury.

Q.—How long have you held that position?

A.—Ten years.

Q.—You held the position for the last ten years?

A.—Yes.

Q.—You held that position at the time that Mr. McGarry was Provincial Treasurer in 1919?

A.—Yes.

Q.—As solicitor to the Treasury what are your exact duties?

A.—I cannot say that there are any exact duties—to do anything.

Q.—What do you have to do as solicitor to the Treasury?

A.—I look after the collection of the revenue, except succession duties. That is, in short. I look after the preparation of any legal documents. I advise them on legal affairs. I am solicitor for the Provincial Savings Office. I prepare papers in connection with Orders-in-Council. I prepare all Orders-in-Council for the Department and some of the other Departments as well.

Q.—Where is your office located at present?

A.—At present it is up near the roof.

Q.—Where was it in September, 1919?

A.—September, 1919, I had the office about over this room here.

Q.—Your office is not in the Provincial Treasurer's Department?

A.—No, it was in this wing, and the Treasurer was over in the other wing.

Q.—Mr. Mathews was the secretary of Mr. McGarry in 1919?

A.—Yes, sir.

Q.—When a provincial loan was being put through did you have any knowledge of it?

A.—No, sir.

Q.—Prior to the negotiating of the loan?

A.—The first I would know about that loan would be—

Q.—About any loan?

A.—When I would get particulars for the purpose of drawing the Orders.

Q.—Up to the completion of the deal itself you were not called into action?

A.—No, sir.

Q.—Now, there was a loan in September, 1919, of four million dollars with the Home Bank, when did you first know of this matter?

A.—Well, I could not say definitely as to that. What was the date of the Order?

Q.—The offer and acceptance was September 23rd.

HON. MR. RANEY: Order-in-Council the same day?

WITNESS: I would prepare the Order-in-Council that day or the day previous. Usually it is on very short notice Orders are run through. The deal is not completed till it appears money is needed. I would say it was two days previous to the 23rd.

By MR. SINCLAIR:

Q.—Can you say to-day when you prepared the Order-in-Council in connection with this loan?

A.—No, I cannot say.

Q.—You say you might prepare the Order-in-Council a day or two prior to the Order-in-Council being submitted to council?

A.—Yes, sir.

Q.—But you cannot say when you prepared the Order-in-Council in this case?

A.—No, I have no definite recollection.

Q.—Have you seen the file in connection with this loan since this matter came up before the Committee?

A.—Yes, I looked at it out of curiosity.

Q.—And it appears from the file that the offer and acceptance were both dated the same day, 23rd September. I think I am right?

A.—I do not think I saw the Minister's file. That would be in the Minister's file; I have a file of my own.

Q.—What file would you have?

A.—I would have a file with recommendations for the Order-in-Council.

Q.—You would have to have the Minister's file, would you not, in order to carry it out?

A.—No, sir. Usually all I would get would be: Four million dollar loan, rate of interest, six months, nine months or a year Treasury bills. I would find authority for making the loan.

Q.—When would get the Order?

A.—Immediately they closed the details.

Q.—Immediately the Minister had closed the details of the loan?

A.—Yes.

Q.—In this case you do not remember when you first started to work on it?

A.—No.

Q.—Do you remember any orders you had in connection with this loan?

A.—No, I have no definite recollection regarding the loan itself or the preparation of the Order, but I do know I prepared the Order, because they were in my files.

Q.—This loan that has been so much talked of, Mr. White, and since it has become of importance, have you tried to refresh your memory to recall what connection you had with it in its early stages?

A.—Yes, I have.

Q.—What was the very first thing you did in connection with the loan?

A.—I have not been able to recall anything out of the ordinary I did in connection with it, in looking at the Orders and reading them over. I find I drew the Order and it is not any different from any other Order. I draw a great many during the course of the year.

Q.—Did you find any memorandum from the Minister?

A.—No, sir.

Q.—Would you get verbal instructions?

A.—Sometimes I would get verbal instructions, sometimes a memo from the secretary, a little slip of paper.

Q.—You have no memorandum in connection with this loan at all?

A.—No, sir.

Q.—Do you remember seeing the Minister before you drew the Order-in-Council?

A.—No, sir, and I do not think I did see him.

Q.—Do you remember from whom you got instructions in connection with the loan?

A.—I do not remember. It would be either from Mathews, the Provincial Secretary, or Mr. Sproule, the Deputy Treasurer.

Q.—After you drew the Order-in-Council did you see the Minister?

A.—No, sir, not about that loan. I had no conversation with anybody about the loan.

Q.—At any time prior to or subsequent to closing this transaction did you have any transactions with Mr. McGarry?

A.—No, sir. I never heard of any question about the loan until it came up in Public Accounts.

Q.—What did you have to do with this loan?

A.—I drew the recommendations for the Order-in-Council.

Q.—Anything else?

A.—No, I don't think—yes, I remember preparing the form of the debenture and the coupon form and either gave that to the Minister's Secretary or Assistant Treasurer to arrange to have them printed.

Q.—Your work was all clerical in connection with this matter?

A.—Yes.

Q.—Now, what official of the Home Bank did you see before this loan was put through?

A.—I have never—about Home Bank matters?

Q.—Yes?

A.—I have never talked to any official of the Home Bank.

Q.—Did you see any officer of the Home Bank around the buildings?

A.—No, sir, and there was no officer of the Home Bank to see me.

Q.—At any time you were in consultation with Mr. McGarry or Mr. Mathews or Mr. Sproule or anyone else did you see any official from the Home Bank?

A.—No.

Q.—Around the Treasury office?

A.—No.

Q.—Never knew of any one of them being here?

A.—I may have seen them, but I do not know anything about anybody from the Home Bank. I did not know Mr. Haney till I saw him this morning. Mr. Wood is the only director I knew by sight.

Q.—Did you ever go down to the Home Bank to deliver any message or communicate with the Home Bank?

A.—Never at that time or any other time.

Q.—You say no one from the Home Bank ever saw you?

A.—No, sir.

Q.—You swear no one from the Home Bank was ever in your office about the month of September, 1919?

A.—I am swearing that positively, or at any other time.

Q.—You swear you never delivered any message regarding this loan from the Minister, or from any of the Minister's deputies, to the Home Bank or any other person?

A.—I swear I never did.

Q.—Did you receive any messages from anyone in the Home Bank in connection with this loan?

A.—Positively no.

Q.—So that you saw no one other than Mr. McGarry, the Minister, Mr. Mathews and possibly Mr. Sproule in your work in connection with it?

A.—Yes.

Q.—Never saw anyone else?

A.—Never saw anyone else.

Q.—And no one left any message with you for the Minister?

A.—No, sir.

Q.—Or for anyone else in the Department?

A.—No, sir.

Q.—And at this time did anyone leave anything with you in connection with this loan or relating to it in any way?

A.—No.

Q.—Or anything to be delivered to anyone in the Treasury Department?

A.—No, sir.

Q.—Or anything to be delivered to anyone else connected with the Government in the buildings?

A.—Positively not.

Q.—You say you did not know Mr. Haney?

A.—I never saw Mr. Haney till this morning.

Q.—Did you ever run any errands or do any business for Mr. McGarry outside of your professional duties as solicitor?

A.—I cannot think of anything. In what nature?

Q.—Some of his own private business. Did he ever ask you to look after this thing or that thing for him?

A.—I do remember one or two occasions when Mr. McGarry—there would be something in connection with his own private practice, and he would ask me to look over papers when I had nothing else to do, and I would look over them in the evenings, look over pleadings or something of that kind.

Q.—Did he ever ask you to run errands for him, private business, to go anywhere to see anybody?

A.—No, I do not recall anything of the kind.

Q.—Did he ever have your assistance in any of his financial matters?

A.—His private financial affairs, no.

Q.—You never had anything to do with them?

A.—No.

Q.—Did he ever send you down into the city to buy bonds for him?

A.—No.

Q.—Will you swear that in September, 1919, you did not go to Cawthra Mulock, the broker, and buy bonds for Mr. McGarry?

A.—I will swear that I never bought any for Mr. McGarry or for myself or anybody else in 1919.

Q.—In September, 1919, you will swear you never bought any bonds for Mr. McGarry or yourself or anybody else?

A.—I never had any bonds or never had anything to do with a broker during the years 1918, 1919, 1920, 1921, or 1922; in fact, it was 1923 or 1924 before I bought any.

Q.—You will swear you never went down to the bond office in September, 1919?

A.—I was never in their office, and the reason I remember, Mr. Mulock died in 1919, and I was not in his office.

Q.—You never took a message down to the firm from the Provincial Treasury here?

A.—No.

Q.—Will you swear that you did not take legals to this bond house in September, 1919?

A.—What do you mean by legals?

Q.—Bills?

A.—I have never handled legals since I came up here. I have never seen one.

Q.—You swear you were never in the bond house of Cawthra Mulock? You were never in the bond house of Cawthra Mulock in September, 1919?

A.—No.

Q.—Will you swear you were not in the broker's bond house of Cawthra Mulock in September, 1919?

A.—I have been—

Q.—Answer my question?

A.—I will answer in what I think is the proper way, and I think it will suit your purpose after I answer the question. I have been in Cawthra Mulock's office not more than three or four times since April of the year 1918, or since the fall of the year 1918, and on these occasions, one of which might have been in 1919, but I do not think so. I do not think I was there that year. The other three occasions were during the past year.

Q.—You have not answered the question. Will you swear you were not in the bond house of Cawthra Mulock in the months of September, October and November, 1919, these three months?

A.—Just on such short notice I cannot place the dates. I would say offhand I was not. I was in there once to see Mr. Stobie, who was executor of Cawthra Mulock's estate, about some private business of my own. Once since Cawthra Mulock's death I was, I think, there. But I never bought any bonds for myself or anybody else.

Q.—Or took any money there?

A.—No.

Q.—Or took any envelope there or any package of any kind?

A.—No.

By HON. MR. MCCREA:

Q.—You and the late Cawthra Mulock were personal pals?

A.—We were friendly.

By MR. CURRIE:

Q.—Did you take a cigar box there?

A.—No.

By MR. SINCLAIR:

Q.—You will swear, Mr. White, that during the four months which I have mentioned you did not take ten legals of \$1,000 each to the bond house of Cawthra Mulock?

A.—I swear that positively, and I swear further I have not seen or handled a legal during the last ten years.

Q.—Do you know anything about what is done with money in the Treasury Office, in the Treasury Department?

A.—It goes to the bank.

Q.—Let us know what the practice is. You say you have to do something with some of the collections?

A.—Collections?

Q.—Supposing some payment in cash comes in to the Treasury Department, say \$5,000, what is done with the \$5,000?

A.—It goes into the Consolidated Revenue.

Q.—The actual bills, where do they go?

A.—Around to the different banks.

Q.—How soon after payment? Is there any system, or what system have you for protecting money when it comes in?

A.—You had better ask the cashier about that, it goes into the cashier's hands.

Q.—Supposing you collect \$5,000, who do you hand it to?

A.—I do not collect. I do not touch money. I look after the collections.

Q.—Do you know as a matter of fact when money comes in what the cashier does with it? Does he lay it on the table or put it on a shelf?

A.—They have drawers.

Q.—So when money comes into the Treasury it is taken care of similarly to money taken into a bank?

A.—Yes.

HON. MR. PRICE: There is a regular cage and Mr. McKenzie is cashier.

By MR. SINCLAIR:

Q.—It would not be usual for money to be lying around the desk of the Provincial Treasurer?

A.—I would say it was very unusual.

Q.—If there was a cigar box full of money in the Provincial Treasurer's desk, would that be a usual or unusual situation?

A.—That would be an unusual situation.

Q.—Provincial money would not every likely be lying around in that loose way?

A.—Not likely.

Q.—Provincial money coming in goes to the clerical staff and not to the Minister?

A.—Exactly.

Q.—The cashier or whoever has charge of the finances handles the money?

A.—Yes.

Q.—And he is a collector the same as a teller in the bank?

A.—Yes.

Q.—Now, did you ever hear of any cigar box full of money in the Minister's office?

A.—Yesterday morning.

Q.—That is the first you ever heard of it?

A.—Yes.

Q.—You never heard any story around the buildings here that there was this sum of money in a cigar box?

A.—No, sir.

Q.—Of course, you said your office was at the other end of the building, anyway?

A.—Yes.

THE CHAIRMAN: Does any other member of the Committee wish to ask questions?

By HON. MR. RANEY:

Q.—Did you ever hear of any legals being in the Treasury Department?

A.—No, I never heard of them.

Q.—In anybody's possession?

A.—No.

HON. MR. MCCREA: There is no evidence that there was any legals.

By HON. MR. RANEY:

Q.—I do not know that there was. The question was regular. You never saw a legal about?

A.—I have not seen one for over ten years.

Q.—You know what they are?

A.—When I was in private practice I know we used them in place of cheques.

Q.—You never carried any legals from here to Cawthra Mulock's?

A.—I have not seen or handled one for ten years.

Q.—You never ran any messages or carried anything down there?

A.—No.

Q.—You positively swear you never bought any bonds there?

A.—No.

By HON. MR. RANEY:

Q.—You never took any messages from the Treasurer or the Treasurer's department to Cawthra Mulock's or any other broker's house or bond house?

A.—No, sir. Mr. Raney, I might have heard around the Parliament Buildings about a good buy. When I was discussing the matter with brokers I would say, "I hear this is a good buy."

By MR. CURRIE:

Q.—Any investments you made were your own personally?

A.—I did not make any investments during the years I mentioned. I was buying some Victory Bonds from the Royal Bank and that is the only investment I made.

Q.—Your duties would not call upon you to run messages?

A.—No, sir. I never ran messages as solicitor to the Treasury.

By HON. MR. RANEY:

Q.—Were you in touch with the file, the offer of the Home Bank and acceptance by Mr. McGarry of the four million dollar loan?

A.—I do not recall seeing that, Mr. Raney. Sometimes, instead of getting definite instructions, I would get a letter of acceptance. I do not recall this particular case.

Q.—You do not know anything about their having been sent back by the Minister?

A.—No, I knew nothing after that.

Q.—From what you have already said, I think it is perhaps clear that the usual practice was when the offer is accepted for Treasury bills you would put the thing through at once?

A.—Yes.

Q.—An offer is a twenty-four hour offer?

A.—Yes, it is usually very urgent. In fact, I wonder why I cannot get a little more time as I am invariably rushed to get the papers through the printers.

Q.—You would not see any reason for any suspicions regarding this transaction from the fact that the offer and acceptance and Orders-in-Council were all on the same day?

A.—That is invariably the practice.

Q.—It would be rather an unusual transaction if there were two or three days?

A.—My recollection is in practically every case as soon as the deal is complete.

Q.—It is a rush order?

A.—Yes.

By HON. MR. MCCREA:

Q.—This four million dollar transaction is referred to as in September, 1919, was not Treasury bills at all, it was a debenture issue?

A.—Yes, I remember a debenture issue.

Q.—Debenture issues are slower than Treasury bills?

A.—There is a little more work in the preparation.

By MR. CURRIE:

Q.—It is a matter of getting the forms, isn't it?

A.—No, sir. Every issue has to pass the solicitors for the purchasers and go from hand to hand all the way through. They would probably have to go to New York or Chicago or over to London.

Q.—I have particular reference to Treasury bills. They are simple forms?

A.—Yes.

By HON. MR. MCCREA:

Q.—So far as you are concerned, Mr. White, as solicitor to the Treasury you have no knowledge of any irregularity of any kind in connection with a four million dollar transaction?

A.—Or any other transaction. No notice of any irregularity comes to me.

By MR. CURRIE:

Q.—Did anybody come to see you to see if you knew anything about it?

A.—No, it did not register itself in my mind.

Q.—Nobody came to see you within the last three or four months to see if you had any story to tell?

A.—No.

Q.—They have made no efforts to verify whether there was any truth about your buying these bonds?

A.—No, nobody was speaking to me.

MR. SINCLAIR: We do not work it that way. You have a lot of law to learn yet, Colonel.

HON. MR. PRICE: Mr. Chairman, last year the members of the Public Accounts Committee made some inquiries about the Highways Department, and I assured them at that time we were having an audit made into the Highway Improvement Fund. The Highway Improvement Fund covers the expenditure of all moneys on roads. It has run about ninety million dollars in the last seven or eight years. Following that up I might say this, that towards the close of last Session, the auditor, Mr. Brown, had been making an audit, a general audit of the Highway Improvement Fund, and this general audit showed that there was a considerable discrepancy—a certain amount that there were no vouchers for. After a number of years this arose anywhere from \$300,000 or \$400,000 up to \$700,000 or \$800,000. I think probably more. In explanation to the Committee I would say this, that the Highway Improvement Fund is really constituted by a Provincial Act, and the Treasury Department has very little to do with that except to audit the figures or vouchers of moneys that have been paid. In other words, if the Highway Department wants certain moneys to spend on roads they ask the Treasurer for a certain amount, probably ask for \$300,000 or

\$400,000 or a million dollars. This money goes into the banks used by the Highway Department. The result is all payments made out of that fund are under the control of the Highways Department. Eventually it comes to be audited. You can see that payments are made and how everything has been handled before it comes to the Treasurer.

In going over this Mr. Brown drew my attention to the fact that there had been an amount outstanding, and towards the end of the session it was suggested I should put a certain amount into the fund to cover this, as vouchers could not be had for it.

I can say quite candidly I started in with the limited time I had to make an investigation to find out just what the situation was. My investigation led me to believe that there should be a further intensive audit before anything was done. I asked Mr. Brown, the Provincial Auditor, to go back on it again, and he went over the accounts several times and was not able to make very much progress because of missing vouchers and other papers, and because the bank accounts were not balanced to a certain extent. The Audit Department have spent considerable time and have not made very much headway owing to the great amount of work Mr. Brown had, and I asked Mr. A. J. Walker, chartered accountant and auditor, to carry on where Mr. Brown and the Audit Department had left off. Mr. Walker has done that, and in view of what was said last year I would like Mr. Walker to tell the Committee what progress he has made, and how the situation stands, and how far he was able to clear it up, and to give the Committee a general idea of how the Highway Improvement Fund was handled.

There may be certain things arising out of it that would have to be given further consideration. I may say that the Highways Department has spent in the neighbourhood of \$50,000,000, and, according to Mr. Walker, no vouchers have been kept, and this running over from year to year. The Committee will therefore see that has made it extremely difficult for the auditor to make very much progress. With that explanation, gentlemen, I would ask that Mr. Walker be called, and we can probably get along a little.

MR. KEMP: Are we to understand there was no regular audit of this account?

HON. MR. PRICE: Yes, there has been an audit, but owing to the fact that there were unaccountable warrants issued in various years to the Highway Improvement Fund—accountable warrants for a million dollars, etc., as expenditures were getting very high, it would be difficult when the fiscal year closed to just say how much of the million dollars, or whatever the sum was which was on accountable warrants, had been spent. Probably \$800,000 would be spent, and the balance would be in the bank. While the Public Accounts showed that a certain amount had been spent, actually had gone out from the Treasury Department into the Highway Improvement Fund and was under the control of the Highways Department, there might be a balance still left in the banks used by the Highways Department, and that situation, of course, is rather conflicting.

MR. CURRIE: Is that still continuing?

HON. MR. PRICE: We are able to check it up.

MR. CURRIE: It is a tremendous departure from parliamentary practice.

HON. MR. PRICE: I am having some amendments made.

MR. CURRIE: Everything should come under the Treasurer of the Province. This putting a chunk of money out to let people do what they like with it,—I am getting fed up with it.

HON. MR. RANEY: While the Treasurer is at it—I asked that the Auditor

might come before the Committee—perhaps the Treasurer can answer the question. The Audit Act calls for an audit of receipts and expenditures.

HON. MR. PRICE: I would prefer to have the Auditor come. You can ask him.

HON. MR. RANEY: How does it come during all these years the Auditor has not been doing that work?

HON. MR. PRICE: I cannot say. To a great extent I think the Act makes it a responsibility upon each of the Ministers. I would hardly like to make comments on what other Ministers do.

I was going to say in answer to Colonel Currie's question, that we have gone into this matter very fully, and last year I could not get the thing straightened up before the Session, but we kept right at it. I think now the matter is fairly clear, and I have asked the Hon. Mr. Henry to insert an amendment in the Highway Improvement Act this year, which will give the Treasury Department more control over the moneys. I would like as a matter of fact, as Treasurer, to have really more control than I have at the present time.

MR. CURRIE: I might say on that point to the members and anybody who is acquainted with parliamentary history of the Treasury Department in Great Britain will know that previous to the last century all departments had funds, the War Office had funds, and received money and paid money out. That was changed, and the change was accomplished by Pitt, who brought legislation into effect that every dollar that came in to the Government would go into the Treasury, and every dollar paid out goes out of the Treasury bag. I think it is a good principle and we should not depart from it, and I am glad to see the Treasurer recognizes that. He is quite entitled to the benefit of all precedents in asking that every dollar going out should go out through his hands. You will remember there were thousands and millions of pounds lost in Great Britain in those days. I was very much surprised to find that in this province. In the Dominion every dollar coming in goes through the Receiver-General and there is no way in which it can go out except through him. I think possibly a great many troubles could be avoided if we adopted that system here. The Minister is bringing in his recommendation, and I think it is a very good thing.

HON. MR. RANEY: Might we fix the time of adjournment?

MR. SINCLAIR: I take it that you will probably sit again to-day some time.

THE CHAIRMAN: I think we should sit this afternoon and evening both.

MR. SINCLAIR: What I have in mind regarding the evidence of the last witness is that Mr. Nash, if possible, should make an investigation of the books of Cawthra Mulock between now and to-morrow.

HON. MR. MCCREA: What for?

MR. SINCLAIR: In connection with the matter I raised.

THE CHAIRMAN: Is there a Cawthra Mulock firm?

MR. SINCLAIR: Phippen & Phippen are solicitors for some of the Mulocks, and I understand the books are in the office of Phippen & Phippen. I think the Committee are entitled to this further search in connection with this transaction in view of information I have received.

THE CHAIRMAN: Let us get down to something definite.

HON. MR. PRICE: What evidence is there?

MR. SINCLAIR: The information I have is if the books were investigated that the books should show a transaction about the month of September or October.

HON. MR. MCCREA: Bring your witness who can substantiate it.

MR. SINCLAIR: If the Committee say go on further, go on further.

THE CHAIRMAN: No, the Committee do not say that.

HON. MR. MCCREA: Bring your witness.

THE CHAIRMAN: You remember last year we laid down a rule that before we investigated any firm, even bank accounts, we had to lay a foundation. If you wish to examine one of these witnesses we will give you a summons. Before we went into Mr. Smith's bank account we had connected it in some way. We did that and called the manager from Stratford.

MR. SINCLAIR: You were after something.

THE CHAIRMAN: I suppose you are, and you have got to be assisted.

MR. SINCLAIR: I would rather be assisted than resisted.

THE CHAIRMAN: Do you want some officer from the firm?

MR. SINCLAIR: The firm has dissolved.

HON. MR. MCCREA: Bring up the man who has given you information.

MR. SINCLAIR: You are all very anxious about the man who has given information.

THE CHAIRMAN: Who can help you?

MR. SINCLAIR: Mr. Nash can see these books, and if there is nothing in the books my information is wrong.

THE CHAIRMAN: Who has custody?

MR. SINCLAIR: Phippen & Phippen.

HON. MR. MCCREA: There is not a tittle of evidence—

THE CHAIRMAN: Do you want the Committee to summons Phippen & Phippen to bring books with regard to this matter?

MR. CURRIE: There is no reason why we should go through their books.

HON. MR. MCCREA: Every rumour and suspicion brought to the attention of the Liberal leader, he wants an investigation into somebody's books. He wants to get something political to refer to. What authority has this committee, or what can we do if somebody tells something to Mr. Sinclair and he asks for an auditor to go down and look over books?

HON. MR. RANEY: I thought you were inquiring into a particular matter?

THE CHAIRMAN: One man brought in a resolution that somebody's bank account be searched, Mr. Raney, and there was no foundation for it, and we did not get the books.

HON. MR. RANEY: Go ahead and do it,

THE CHAIRMAN: We are not going to start this unless there is some reasonable foundation.

HON. MR. PRICE: There has not been any evidence.

HON. MR. MCCREA: No.

THE CHAIRMAN: There has not been a reasonable suggestion. If anybody has a reasonable suggestion, let him make it.

MR. CURRIE: I think Mr. Sinclair should put the resolution.

HON. MR. MCCREA: What matter are we investigating?

MR. CURRIE: He is going out of this room and raise the holler that we did not give him a square show.

THE CHAIRMAN: That is what he is laying a foundation for. Is there any motion?

MR. GRAVES: Mr. White was very positive in his evidence.

MR. SINCLAIR: I know what vote will happen to my motion.

THE CHAIRMAN: No, make the motion.

HON. MR. RANEY: You have to take that back. Take it right back now.

MR. GRAVES: I object to that statement, I object to it. I do not want any man to say my vote is going any way till I hear the resolution.

MR. SINCLAIR: You don't know how to vote.

HON. MR. RANEY: Make him take it back.

THE CHAIRMAN: I do not think Mr. Sinclair should make a motion that reflects on the Committee.

MR. SINCLAIR: On who?

THE CHAIRMAN: I thought it was Mr. Graves. If there is no motion we will go ahead with Mr. Walker. We will adjourn at one till three.

HON. MR. RANEY: The difficulty is there is a matter requiring my attention this afternoon.

HON. MR. PRICE: I would like to say this, if the House is going to rise to-morrow night I think we will have to have continuous meetings. It may be fairly contentious matters will come up in the House, in which case it will go over till next week. We should make an attempt to get through as much business as possible.

THE CHAIRMAN: The idea is that we go through with Mr. Walker's evidence at three o'clock.

HON. MR. BIGGS: There a couple of questions I would like to clear up as to the question of the audit of the Highway books for the period in question. Have the Highway books not been audited by the Provincial Auditor for this period?

HON. MR. PRICE: I said there had been an audit after payments had been made out. Payments are made out and the Auditor checks them up. It is a bad practice.

HON. MR. BIGGS: Still, there was an audit of the Highway books, a continuous audit by the Treasurer's regular auditor.

THE CHAIRMAN: I think Mr. Price meant that.

PUBLIC ACCOUNTS COMMITTEE.

The Committee resumed on the afternoon of April 8th, 1925, with Mr. Finlayson in the chair.

DR. A. C. CALDWELL, called, sworn.

Examined by Hon. W. H. Price, K.C.

THE CHAIRMAN: What is your Christian name?

A.—Alonzo C. Caldwell.

HON. MR. PRICE: Dr. Caldwell, where do you reside?

A.—Dundas.

Q.—And what is your occupation?

A.—Canner.

Q.—You are not practising medicine?

A.—Not practising, no.

Q.—How long have you been a canner?

A.—Twelve or thirteen years.

Q.—What was the first business that you had, canning business?

A.—Canning business at Waterdown.

Q.—What was the name of your company?

A.—Wentworth Orchard Co.

Q.—Was it a limited company?

A.—Yes.

Q.—Ontario charter?

A.—Yes.

Q.—What date was it incorporated?

A.—Oh, I think about, I don't know the year, thirteen or fourteen years ago, and four years ago it went into liquidation and was closed up.

Q.—What was the next company?

A.—The United Food Products, Limited.

Q.—The United Fruit?

A.—Food—F-o-o-d.

Q.—When was that incorporated?

A.—In December, in 1921, I think. I will just give you that exact date, 10th of December, 1921.

Q.—And is that company in existence now?

A.—Yes, we changed its name now, the same company, and the same company and everything, except we changed the name in May of last year.

Q.—May of last year, to what?

A.—The Caldwell Canning Co., Limited.

Q.—That is in 1924?

A.—1924.

Q.—Who were the directors of the United Food Products, Limited?

A.—The incorporating directors?

Q.—Yes, who were the directors?

A.—Do you want them accurately?

Q.—Well, you can remember from memory?

A.—I cannot remember them all, there are a number of men—Mr. Jefferies of Windsor; Mr. Taylor of Cainsville; Mr. Harris, and I am not sure whether Harris.

Q.—We will just get it down shortly. Was Mr. Harris a director?

A.—Yes, he was a holder of one share of common stock for qualification purposes.

Q.—That is Mr. George R. Harris?

A.—Yes.

Q.—George R. Harris was a director. Was Mr. Browning a director?

A.—No.

Q.—Is Mr. Harris a director of the present company?

A.—No.

Q.—Are you the whole of the controlling stock in the company?

A.—Yes, myself and father.

Q.—Yes, your father and yourself. Mr. Harris in giving evidence here last year said that he made a certain loan to you of \$4,000 in 1921 as part of the proceeds or profits of the Provincial Securities Co., and you were subpoenaed last year, but owing to the Committee rising, you were not examined. Do you recollect anything about that loan?

A.—Yes.

Q.—Was a loan made to you in 1921 or made to your company by Mr. Harris?

A.—Well, it was a series of loans at the time.

Q.—We will get to that in a minute. Was there any loan of \$4,000 in 1921?

A.—No.

Q.—When were these series of loans that you speak of?

A.—The first loan was made on December 1st, 1921, of \$1,000.

Q.—December 1st, 1921, of \$1,000?

A.—Yes.

Q.—(What do your books show of that, Mr. Nash?) And when was the next loan?

A.—January 2nd, 1922, of \$100; January 19th, 1922, of \$200; February 6th, 1922, \$300; February 13th, 1922, \$500; February 20th, 1922, \$250; February 21st, 1922, \$250; March 15th, 1922, \$200; and June 24th, 1922, \$1,000. Those are the record of the complete loan.

Q.—And you have withdrawals during that time too?

A.—I paid it out, you see, I borrowed this money, the firm, this company, that—I started a trust account and all this money was put through this trust account. It was really for the business, for this business I was starting, and I have my bank book here showing disbursements and the receipts, and my bank book unfortunately doesn't show Harris' name or rather the source of the money, so I had when I was here last Wednesday, I had a talk with the secretary and he suggested I get some record as to proof that I received the money, so I went to my bank and I got a letter from my banker showing the cheques I received and deposits, whether from either Harris or Browning Harris Co.

Q.—There isn't any doubt on these dates you received.

A.—Yes, I received money from Harris.

Q.—The only question is that whereas Harris swore that the \$4,000 went to you some time about the time—the first cheque was in November—whereas the Provincial Securities Co. made its profits up to September, and these cheques that you received, I take it, were from Browning, Harris, Northey?

A.—No, some were from Harris.

Q.—Have you got the cheques there?

A.—No, I would not have the cheques, Mr. Price. I just have the record from the bank.

Q.—There is one, December 1st, 1921, yes, that is \$1,000; well, that is what we wanted to find out, Doctor, just when these moneys were paid?

A.—There is the bank book when I started and it includes all of these deposits with the exception of the last one.

Q.—Well now, is Mr. Harris a stock holder in the company?

A.—No, he received one share of organization stock; one of common stock; I am not sure whether he holds it or not yet.

Q.—Is there any stock held in trust in this company for anyone?

A.—No.

Q.—Were these loans paid back?

A.—No.

Q.—Haven't been paid back?

A.—No.

Q.—In what shape do you stand to-day?

A.—They stand credited to me in the company's books and I have given Mr. Harris, or rather Harris, Browning, Northey, a note covering the full amount with interest.

Q.—Now you say this money was given for the purpose of organizing the company?

A.—That was what.

Q.—The excuse you had at that time?

A.—In speaking to Mr. Harris about the money.

Q.—Well now you didn't give Mr. Harris a note for this money?

A.—No, I gave him a note some time afterwards. I don't remember the date. I gave him two notes, you see, one note for \$1,700, I remember something of that, and I gave him another note for the balance and then last year he asked

me to give him a renewal in the name of his own company to transfer the amounts, which I did.

Q.—At the time when you got these moneys, take December 1st, 1921, \$1,000, and these various items over 1922, you didn't give any note at all?

A.—No, not at that date.

Q.—Isn't that a peculiar business transaction, not to give anything for it?

A.—Well, my association with Mr. Harris was entirely a personal, friendly one. I didn't know at the time how much money I would really require.

Q.—Even at that, where you advance money—I am not charging bad faith or anything—but there is some of these moneys Mr. Harris said went to you and I want to find the reason for them going to you; if you have a good explanation, all right?

A.—Entirely a friendly act on the part of Mr. Harris, nothing more or less.

Q.—The loan of these moneys to you?

A.—Yes.

Q.—How did you know Mr. Harris could loan you money?

A.—Mr. Harris and I are fairly close friends, have been for a number of years, and I have no doubt at that time, my own moneys were tied up, and in talking the thing over—now I haven't a recollection of the particular episode, I am just talking in a general way—I no doubt told him my difficulties, what I wanted to do, and he told me.

Q.—Did he tell you he had made some money recently and he could do that?

A.—No, he didn't tell me anything about his private affairs. I never had any knowledge of his private affairs.

Q.—So in any event he did loan you money running up—

A.—\$4,050 I think.

Q.—\$3,050?

A.—No, \$4,050.

Q.—The total amount. Now, Mr. Caldwell, didn't you know that Harris was very much in debt and his companies, as he swears, about going into liquidation?

A.—I didn't know a thing about his private affairs. I had some knowledge of his company being in liquidation, but I didn't attach any—

Q.—Wouldn't it strike you, if these various companies—he was changing and switching back and forward, and about winding them up, wouldn't that be known to you?

A.—Yes, I think it should. My only recollection is of the death of Mr. Mulveny, which is the only outstanding thing in my mind. I don't recollect considering his financial condition at all.

Q.—You first knew Morgan, Dean, Harris & Co.?

A.—Yes.

Q.—Then Morgan, Dean, Mulveny?

A.—Yes.

Q.—And then Browning, Harris Co. after that?

A.—Well, that is the present company.

Q.—Yes, before it was incorporated Browning, Harris—

A.—Well, I didn't follow it that closely.

Q.—There were several companies therefore, and you knew they were changing back and forward, and that Harris was in difficulties?

A.—No, I didn't know Harris was in difficulties at all.

Q.—That is what I understood you to say, you know these companies were in difficulties?

A.—I didn't know anything about Harris' private business.

Q.—Well, you said you were a great personal friend of his?

A.—Yes.

Q.—How did you happen to know he could loan you money when he was scraping for money?

A.—Well, I didn't know he was scraping for money. I had lunch with him occasionally.

Q.—Did he offer to loan you the money?

A.—I think he did.

Q.—It came from him?

A.—I think so.

Q.—He said he had money which he could let you have?

A.—I think so.

Q.—Was the amount arranged at the time?

A.—Oh no. I told him what I wanted.

Q.—No definite amount? You were going to organize your company and he was going to loan sufficient money to do it?

A.—My recollection is I think I told him a couple of thousand dollars would cover it.

Q.—You didn't know the exact amount?

A.—No.

Q.—And when he did loan it you didn't give back any note or security?

A.—Not at that time.

Q.—How long afterwards would you give back the note?

A.—I am not clear on the dates; it was some months afterwards.

Q.—Well, it was some considerable time, wasn't it? Away in 1923 when you gave the note?

A.—Oh no, I gave him a note within two or three months after the loan.

Q.—What was the note for?

A.—The one I have recollection of was for \$1,700.

Q.—And for what period?

A.—It was on demand. I am speaking from memory now. I went and looked at the note so I would not—

Q.—Have you paid it off?

A.—No.

Q.—He holds it yet?

A.—Yes.

Q.—Demand?

A.—No, the two notes were handed to me and he asked me to give him a renewal to his firm.

Q.—What was the second note?

A.—For the total amount.

Q.—And you haven't paid any of it off?

A.—No.

Q.—Did the first note bear interest?

A.—No. It would now—

Q.—The second?

A.—No.

Q.—Does this present note bear interest?

A.—Yes.

Q.—When was this present note made? What is the date?

A.—In May last year.

Q.—May, 1924?

A.—Yes.

Q.—So until May, 1924, shortly after the Public Accounts Committee met last year, this note was not bearing interest?

A.—No.

Q.—Do you expect to ever get this money paid back, or do you expect to ever pay it back?

A.—If our company has as prosperous a year this year as last, we will pay it back this fall.

Q.—That is good news?

A.—I am very glad to make that statement, Colonel.

Q.—Does Mr. Harris hold any collateral security for this?

A.—No.

Q.—Any stock in trust?

A.—No, nothing at all.

Q.—Is Mr. Biggs here a shareholder in your company?

A.—Since a year ago—Mr. Biggs was a shareholder in the Caldwell Canning Co., the company reorganized.

Q.—He was a shareholder in the Caldwell Canning Co.?

A.—In the Caldwell Canning Co.

Q.—Was he in the United Food Products, Limited?

A.—No, never was.

Q.—Dr. Caldwell, last year when this came up, there was a suggestion by members of the Committee, that you were about to run as Liberal candidate in the riding of North Wentworth and that eventually you didn't run, and your withdrawal was arranged by Mr. Biggs. I am bringing this up because you might as well clear it up?

A.—I remember. That was the suggestion made by some member that was not conversant with the local conditions. He could not have been.

Q.—Well, you tell us what actually happened?

A.—Yes. I have been President of the North Wentworth Liberal Association for a good many years. Latterly, the nomination has been going begging. I have been a candidate—I have never had the nomination officially offered me, although I fancy had I wanted it, I could have had it, last year, last election—

Q.—Was it talked of about that time, you were going to run?

A.—No, it was not. I think some of the members of the Committee had asked me if I would accept it, but I have never had any desire for political—

Q.—Did it appear in the press?

A.—Not to my knowledge. Acting as President of the Association, I did everything I could to get a candidate. I approached W. H. Easterbrook of Aldershot, and he agreed to be a candidate at the last election provided there was no Conservative candidate, and he kept the nomination in his hand for ten days or more and at the expiration of that time, it became known the Conservatives intended running a candidate and he refused the nomination, and we could not get another candidate, and on election day I refused to vote for the Conservative candidate. I refused to vote for Mr. Biggs, the U.F.O. candidate, and I stayed at home and refrained from voting altogether, and many of my Liberal friends did likewise, and it is well known in political circles in my town.

Q.—So that there was no, according to you, there was no deal with Mr. Biggs that you would not be a candidate?

A.—I never discussed with Mr. Biggs anything during the four years of his regime as Minister of the Crown. I only saw him three times.

Q.—What was the time of the Liberal nomination there?

A.—Oh, I cannot tell you that.

Q.—The date in 1923?

A.—It was a month or two, one, two or three months before the election.

Q.—Before the House rose, was it? The House rose in May, the 8th of May, 1923, and the election was in June?

A.—Well, now I cannot give you the date. It was some little time before the election.

Q.—You said Mr. Biggs was a member of the Caldwell Canning Co.?

A.—Yes, he helped to reorganize.

Q.—Isn't he an officer in it?

A.—Yes, he was Vice-President.

Q.—And he signs your cheques for you at the present time?

A.—Yes.

Q.—So that, did Mr. Biggs hold any official position in the company when it was United Food Products, Limited?

A.—I previously said Mr. Biggs held no stock, had no interest, no business connection whatever with United Food Products.

Q.—Prior, it was Mr. George R. Harris that was Secretary?

A.—Yes, he held one share of common stock.

Q.—And he was Secretary?

A.—Yes.

Q.—And when Harris retired?

A.—I reorganized it.

Q.—Apparently Mr. Biggs came on the Board as Vice-president. Did Mr. Harris sign cheques before?

A.—No, he never has, he had no interest, Mr. Harris had resigned from being Secretary for a long time before, but I asked him to carry on until I got the business on its feet.

Q.—Now just to clean this up. I don't want to go at too great length, I don't want to go into your private business at all.

A.—Thanks very much.

Q.—But I want to get this cleaned up. The suggestion to the Committee last year was this, that this money that Mr. Harris claimed had been loaned was actually for the purpose of helping to organize your company, and taking an interest in it; is that correct?

A.—It was given to me that I would be able to organize my company. I don't know about the interest what you mean. Harris never intended to take an interest in it at all.

Q.—You say you gave no note for it, you gave no security?

A.—May I read a letter that will perhaps throw some light on it. This is one of our small shareholders, wrote to Harris, about November 27th, 1923, asking for information about the company as his name was on as secretary, and Mr. Harris wrote me and gave me—I had better give you it.

Browning, Harris, Denman & Company,
Hamilton, Ont., November 27th, 1923.

Dr. A. C. Caldwell, President,
United Food Products, Limited, Dundas, Ont.

Dear Doctor:—

The enclosed letter was received by me a few days ago from Mr.,
..... of Burlington. Will you please answer it and give him all
the information he requests.

I have written him to-day in accordance with the copy of letter enclosed.

With kind regards,

Yours very truly,

GEO. H.

This is the letter he wrote to Mr.....

November 27th, 1923.

.....,
Burlington, Ont.

Dear Mr.....:—

I have your letter of November 21st in connection with the seven per
cent. stock of the United Food Products Company.

Your letter has been forwarded by me to the Company at Dundas,
who will answer it direct.

I know very little of the company outside of the fact that I believe I
have been told that a dividend will be paid at the end of this year. I
am not secretary of the company, as I resigned shortly after the company
was floated and was only appointed secretary pro tem.

Yours very truly,

That just shows Harris' position.

Q.—I quite understand that. Just to make this clear, Mr. Harris gave you
over the year 1922 about \$4,000, there was no note, or security given by you
for the money?

A.—There was within a few months.

Q.—There was afterwards, there is no doubt, and when something was
given it was a demand note without interest. Now do you say Mr. Harris
was giving you that money without interest?

A.—The idea of it, it was only a loan to help me organize my company.
As soon as I had secured funds from the sale of the stock, I would reimburse him.

Q.—If it was a loan to reorganize your company, what interest was Harris
getting in the company?

A.—No interest, except he was doing me a good turn.

Q.—Well then, Dr. Caldwell, is there any significance to the fact that
Harris now drops out of the company and Mr. Biggs goes in the company?

A.—Not any at all. I had, previous to one year ago, I had no business
connection with Mr. Biggs, no social intercourse with him, no transaction of
any description with Mr. Biggs. I was simply a casual acquaintance. I can

only remember previous to a year ago meeting him, in company with others, on four different occasions in my whole life. Mr. Harris has no interest in politics and I don't remember him ever discussing politics with me.

Q.—Of course you knew Mr. Biggs quite well, because you lived in Dundas?

A.—And he lives within three or four miles of me.

Q.—And he is a prominent man there, and was interested in county council and other work for years. You would know him, I suppose. Well then, is it fair to ask you this, doctor? When did Mr. Biggs put money into the company? At its reorganization, in May?

A.—I am not just sure of the date. But the company was reorganized in May and that was the time I approached Mr. Biggs in connection with this proposition.

Q.—Was that new money?

A.—New money; he purchased some bonds. He purchased \$5,000 worth of bonds.

Q.—In your company?

A.—Yes.

Q.—At par?

A.—At par, yes.

Q.—What holding has he got in the company?

A.—Well, he got his bonds, he has made no—

Q.—He has got the \$5,000 of bonds. Have you a record of whether that money was paid into the company?

A.—Well, it was an arrangement whereby, with the owners of the building, we got them to transfer a mortgage into a bond issue, and the owners of the building really sold Mr. Biggs the bonds. The company didn't get the money.

Q.—I don't quite follow that?

A.—Made a bond issue in place of the mortgage.

Q.—You put a bond issue on it?

A.—And the owners accepted the bond issue if Mr. Biggs would buy \$5,000 of the bonds which he did.

Q.—Who were the owners?

A.—A. R. Williams & Co., Toronto.

Q.—Situated in? Was that the Food Co.?

A.—No, this is the cotton mills in Dundas.

Q.—It was in liquidation, was it?

A.—No, a good many years ago the cotton companies amalgamated and this has been carried on by the cotton company. Then it was transferred to the Chaplin English Co., and I think Williams bought from the Chaplin English Co. when they went into liquidation.

Q.—So the bond issue was placed on this plant or building and Mr. Biggs took \$5,000. Well then, the money didn't actually go into the company?

A.—No.

A.—Where did the money go?

A.—Went to the A. R. Williams Company.

Q.—Have you any record of that?

A.—No, we have a record of the bonds, of the bond issue having been put on.

Q.—Well, you issued \$5,000 of bonds to Mr. Biggs then at the request of A. R. Williams & Co.?

A.—No, we put the bond issue on—wait until I get this right.

Q.—I want to get it right. I want to find out how Mr. Biggs paid for this five thousand?

A.—Well, he paid the A. R. Williams for it.

HON. MR. BIGGS: The A. R. Williams people accepted in partial payment for the properties that they held in Dundas \$45,000 worth of bonds and I bought from the A. R. Williams people \$5,000 worth although the A. R. Williams people received the whole block of bonds, the \$45,000, and then the agreement was that they, that there was to be \$5,000 of those bonds taken up and I personally took those up myself last summer.

Q.—What benefit did the company get from that?

A.—No benefit, it didn't matter if Williams held the bonds or not, or—

Q.—So what stock has Mr. Biggs got?

A.—Mr. Biggs has no stock he bought himself. He has some stock I transferred to him from my own private holdings.

Q.—That means that he has five thousand bonds already which he paid for to the A. R. Williams—but the stock Mr. Biggs holds now you transferred to him yourself?

A.—Yes.

Q.—Without any payment of money into the company?

A.—Yes.

Q.—And without any payment of money to you?

A.—Yes, but with the consideration to the company that he would finance the company on an agreement.

Q.—How much was that?

A.—About half of my holding in the company.

Q.—Well, how much is that, how much stock does he hold?

A.—I have the memo of that—5,000 shares of preferred stock and 122 shares of common stock.

Q.—5,000 preferred and 122 shares of common. Well, how would you transfer him the preferred?

A.—I owned it.

Q.—You sold the business I suppose to the company?

A.—Yes, on a valuation basis and I owned this stock. I got an appraisal.

Q.—Have you any more of that you would be willing to give away?

A.—Well, if you will guarantee the account of our company at the bank I will be able to—

Q.—That is what Mr. Biggs has done?

A.—Yes.

Q.—He guaranteed the account at the bank?

A.—Yes.

Q.—One hundred a share?

A.—Fifty.

Q.—5,000 preferred stock and 122 of common with Biggs. \$50 par value?

A.—Yes.

THE CHAIRMAN: What is the rate?

A.—Oh, 7 per cent.

HON. MR. PRICE: Were you in need of more finances?

A.—Yes.

Q.—In need of more money to run the thing?

A.—Yes.

Q.—Well, this was the point, doctor, the Committee were rather suspicious, I will tell you candidly, about that \$4,000?

A.—Well, I have explained that.

Q.—And now when you say you gave Mr. Biggs so much stock apparently for nothing?

A.—No, I didn't give it to him for nothing.

Q.—Has he paid anything into the bank?

A.—No.

Q.—And you said you are paying a dividend?

A.—No, I didn't say I was paying a dividend.

Q.—I thought you said there would be a dividend this fall?

A.—No, that was a letter that Mr. Harris—you are getting confounded with that letter.

Q.—Harris said?

A.—No, he said he had heard there might be.

Q.—What do you think, are you going to have a dividend this year?

A.—I think so.

Q.—Well, if you are going to pay a dividend, Mr. Biggs won't have much financing, to do will he?

A.—Well, at the present time he is obligated to the bank for \$40,000.

Q.—But you got all your assets, what are your assets?

A.—Well, that is our line of credit is \$40,000.

Q.—But your assets are what?

A.—Oh, I haven't got a statement of that. Our line—

Q.—All the directors are on that?

A.—No, I am not on it. Mr. Biggs is the only guarantor under his agreement.

Q.—Have you the agreement?

A.—I haven't the agreement but I have a place where I hypothecated all of my stock to Mr. Biggs as an additional guarantee to him.

Q.—June 5th, 1924—

A.—Well, Mr. Biggs drove a fairly hard bargain, I think, as you will notice.

Q.—So he got 5,000 preferred, a block of common, another \$50,000 of security—

A.—Oh, no, just my stock.

Q.—Well, he has got that as security?

A.—He has got my stock.

Q.—You said you gave him half, and that is going to pay 7 per cent.?

A.—I don't say that; I hope so.

HON. MR. BIGGS: It isn't cumulative anyway.

Q.—What is your debt at the present, how much do you owe the bank?

A.—Oh, about \$25,000 or better.

Q.—And what you say is Mr. Biggs has practically got these certificates transferred to him as security?

A.—Transferred in blank.

Q.—But that has got nothing to do with the stock you gave Mr. Biggs?

A.—No, nothing at all. That is simply giving him additional security of my stock.

Q.—In the first place, Mr. Biggs, according to this agreement, received a number of preferred shares, par value around \$50,000, of which he has hypothecated for the purpose that he will guarantee accounts at the bank and so on, but in addition to that you have given him five thousand preferred and twelve thousand common—

A.—Yes, that is not in addition. This is the addition.

Q.—I say that is in addition you have given him outright, Dr. Caldwell, outright 5,000 shares of preferred and 12,000 common?

A.—Yes—123 common.

Q.—How much additional stock has he got?

A.—None at all.

Q.—Well then, of course you expect to get this back?

A.—Why, sure.

Q.—You expect to get it back?

A.—Why, sure, if we sell, as soon as the company gets on its feet. If we sell our stock to-day, our manufactured goods to-day, we could come very close to paying Mr. Biggs back.

Q.—What I want to know, in fairness to you and Mr. Biggs and Mr. Harris, does Mr. Biggs get any gift of stock in your company?

A.—Absolutely none.

Q.—Well, that isn't what you said before?

A.—Absolutely, that is what I said. I may have misled you, but it is what I intended to say. I have given Mr. Biggs certain of my holdings in return for which he finances the company.

Q.—What money has Mr. Biggs paid into the company?

A.—He has paid no moneys, but he has financed the company at the bank.

Q.—By signing a guarantee?

A.—Yes.

THE CHAIRMAN: You have given Mr. Biggs, or transferred to him, apparently \$50,000 of preferred, par value, and \$12,500 par value common?

A.—Approximately half of my holding.

Q.—For which he has gone on a guarantee to the bank, which there is a present liability of \$25,000?

A.—Yes.

Q.—And for which you say your present manufactured goods would pay?

A.—Yes.

Q.—So there is little or no liability to the bank?

A.—There is a liability of \$40,000.

Q.—At present there is little or no liability?

HON. MR. BIGGS: I wouldn't say that.

Q.—In addition to that he has got some amount, 50,000 preferred and 12,500 of common as security?

A.—Yes.

Q.—And this, you say, will probably pay a dividend this year?

A.—No, I hope it will. I don't say probably. I hope. I said if we have as good a year this year as last I will be able to pay him—

Q.—If your present expectations work out Mr. Biggs will have this block of 50,000 preferred, 7 per cent., and this block of 12,500 common for nothing except a guarantee?

A.—Excepting guaranteeing the bank, that is quite clear.

Q.—Now just tell me, are there any other shares that Mr. Biggs holds through his family?

A.—No, none whatever. That is the entire transaction. There is just one item so as to clear up one point. This company that I formed, I originally formed it with a co-operative idea, I found that it was rather difficult to put it over without the company in operation. Then I began looking around to get someone who could help me finance it and Mr. Biggs was the last of perhaps half a dozen men that I approached. The last, of course, was the one I got, but I

approached half a dozen men with this in view, and in one case, I have here a man that I was going to do practically the same thing with. I have an agreement here with a man in Holland and it is made out February, 1923, and the solicitor who did it is the defeated Conservative candidate in my own riding.

Q.—What is his name?

A.—Shaver.

Q.—And this agreement with this gentleman in Holland provides for me giving him \$30,000 of my holding for investing \$25,000 in my company.

THE CHAIRMAN: No, that was an investment of cash.

A.—Yes, it was—

Q.—There is a vast difference between a simple guarantee and an investment?

A.—What I was anxious to do was to get my company on its feet and get going.

Q.—What was the date Mr. Biggs got this stock?

A.—In May last year.

Q.—What year?

A.—1924.

HON. MR. PRICE: Just let me get this point. You say you didn't get acquainted with Mr. Biggs until last year?

A.—Oh, no, I have known Mr. Biggs for a great many years, but last year was the first time I had any business transaction with him, had any discussion or even any social intercourse.

Q.—Last year, June 5th, 1924, this is. Now did Mr. Harris introduce you to Mr. Biggs?

A.—Oh, no, Mr. Biggs I have known him a long time casually.

Q.—Did he bring Mr. Biggs to you?

A.—No.

Q.—Did he tell you Mr. Biggs would probably help you finance your company?

A.—No, he didn't.

Q.—Did he speak to you about this \$4,000?

A.—On one or two occasions he asked me how I was getting on, and I would see him every day or two.

Q.—Mr. Harris didn't drive as hard a bargain as Mr. Biggs?

A.—No, he didn't.

Q.—He loaned you the money without a note for a while and without interest?

A.—Well, it was not supposed to run very long, that is the reason there is no interest.

Q.—There is quite a difference in the transactions?

A.—Yes.

Q.—Are you sure the \$4,000 was not taken into consideration a little bit?

A.—In what way.

Q.—Well, there was no note for a long time, without interest, it was advanced to organize your company; it is not clear just what Harris was going to get out?

A.—He was getting nothing out of it; absolutely a matter of friendship.

HON. MR. BIGGS: At the present time is the note that Mr. Harris holds your personal note or the Canning Co. note?

A.—My personal note.

Q.—The Canning Co. is not in debt in any way to Harris?

A.—No shape or form.

HON. MR. PRICE: What was the date of this last note?

A.—May sometime, last year.

MR. KEMP: In this loan Mr. Price asked you about, the loan, he said that the proceeds of the sale of bonds for the Government; did you know at the time it was the proceeds?

A.—Oh, no. I didn't know about it. Harris was a personal friend of mine and he let me have funds. I didn't know where he got them. I knew nothing about Harris' personal business. Didn't know he was doing business with the Government. Didn't know how he was doing business.

Q.—When you made this arrangement for Mr. Biggs to guarantee your finances at the bank, would the bank accept the same conditions that Mr. Biggs accepted. Would they have financed your company—

THE CHAIRMAN: They did the financing.

MR. KEMP: But the finance was his guarantee—

A.—Oh, no, I could not possibly do it.

HON. MR. BIGGS: I think we can make this guarantee very plain. You would seem to think possibly I got something for nothing. I may say this company had a property which was mortgaged. They had some machinery and equipment to carry on with and they had some partially manufactured products. I arranged with the bank personally for a \$10,000 loan. I arranged about getting this, for a \$10,000 loan with the bank which I deposited in the Caldwell Canning Co. account, and then what money was needed over and above that, and the canning company has a big business; you need a lot of credit for a business like canning; and then it goes out. This loan, the first \$10,000, and then I arranged with the bank myself without any other guarantors that I would personally guarantee the bank for the company for the balance. The first is absolutely on my own personal note and the balance is guaranteed by me for the company. In consideration of these guarantees and the amount of money loaned from the bank to me personally and deposited on their account I received certain stock and I think I am the fellow that is taking the chance on it if anybody is.

THE CHAIRMAN: Anybody else want to ask Dr. Caldwell, any member of the Committee?

WITNESS: Do you wish any of these?

HON. MR. PRICE: I don't think so.

A. J. WALKER, called, sworn.

Examined by Hon. W. H. Price, K.C.

Q.—Mr. Walker, you are sworn?

THE CHAIRMAN: Yes.

HON. MR. PRICE: You heard the statement which I made to the Committee before the Committee rose at noon?

A.—Yes, sir.

Q.—Following Mr. Brown's audit of the Highway Improvement Fund you received instructions to make a more intensive audit to clear up some discrepancies?

A.—I did.

Q.—Will you tell the Committee just what you did? I am not going to interfere with you. You can just go right along?

A.—I went down to the Highways office and made a survey with a view to following up the audits in the usual way and thought it would be advisable to

get from the Audit Department original vouchers that were forwarded to them. This I did and started in with a view to following these vouchers into the Public Accounts.

The main reason for doing that was that the Highways had not laid out their books so as to bring their account into any segregation, that is to say—

HON. MR. PRICE: If you could just turn half way, so that the Committee—

A.—The Highways had not laid out their bookkeeping so as to have a segregation of their expenditure. That is, they had not the machinery for bringing the totals along—somewhat along the line that they were shown in the Public Accounts.

So I started in with the year 1917, the main object of the audit being to ascertain what made the difference between the Audit Department for advances made by the Treasury to the Highways Department, and the Highways Department. These differences ran from a small one at the end of 1917 over a period of six years. I was informed at the Highways Department that the balance would be exact for the fiscal years 1923 and 1924.

In going over the vouchers for the year 1917 I found that the advances were on the Highway Improvement Fund, \$12,000. There was another fund called Object Lesson Road. The sum of \$10,500 was sent to the Department in that year; the difference called the accountable advance and charged against the Minister of Public Works and Highways at the end of 1917 was \$817.73, and on the Object Lesson Road Fund, \$821.82. The vouchers I found to be in good order. And the Highways Department had accepted a few hundred dollars more than was shown in Public Accounts.

My idea was, of course, as in all audits, to audit the receipts as well as the expenditures and as the audit went on certain items of expenditures and certain items of receipts I found that I could not pass upon as being entirely satisfactory. These items I will touch on as I proceed. The receipts during the first year were very small, only \$73.24.

We were able to make a reconciliation between the Audit Department and the Highways Department in the year 1917. In the year 1918 the advances to the Department were slightly greater, \$77,000 on the Highways Improvement Fund and \$24,365.00 Object Lesson Roads. In that year the expenditures shown in the Public Accounts agreed very well with the vouchers. We had no vouchers to question in the years 1917 and 1918, except several for what we called accountable advances to the staff of the Department, the engineering staff mostly. I found a good deal of difficult in cleaning these up as some of them run over a considerable number of years. One or two haven't been cleaned up yet.

Q.—Would you tell the Committee what you mean by accountable warrant and voucher?

A.—Yes. A voucher would be the original bill rendered to the Department, say it would be for cement, with all the details of the purchase, showing where the cement went, duly vouched or initialled by the resident engineer who received it, and by the chief engineer, it would be quite a good voucher, a good receipt, in every sense of the word.

The accountable advances would be nothing more than the cheque marked accountable advance. In some cases the amount would be \$250, we could get no voucher and no explanation in the books for this payment, the fact that it was an advance.

Q.—Would that be advance from the Highway Improvement Fund or an advance from the Treasury?

A.—That would be advance direct from the Highways Improvement Fund, entirely apart from any accountable advance made from what they call there the Civil Government Fund. No explanation, no voucher, no history of any kind was sent to the Audit Department for any of these accountable advances either when the money was paid out by cheque or when it was returned by the engineer. With the exception of these accountable advances, vouchers cleaned up very well in that year.

In 1918 the Department began to make assessments or charges against certain municipalities, townships, and counties, under the Highways Improvement Act, for percentage of the work completed. This amount was not large, amounting in 1918 to \$52,051.57. The receipts in that year, outside of these assessments, only amounted to \$102.93.

Now referring to the bookkeeping! The books were not laid out on the regular double entry bookkeeping plan. Everything, including the amounts from the Treasury on both of these funds, Highway Improvement Fund and Object Lesson Road Fund, were all dumped in the one column which had to serve also for a bank column as regards—

MEMBER: Had they their own bank account?

A.—Yes, they had a bank account but this one column had to serve for all things which they had to get; in 1917, 1918 and 1919 we were able to make an exact reconciliation of the vouchers which had been sent to the Audit Department and to lost vouchers which were short which made up the shortage shown in the Public Accounts. This shortage increased, not shortage, difference, to \$4,787.54 in 1918 and ran up to \$209,256.68 in 1919. Many of these expenditures were in 1919 particularly were not reported up to the close of the fiscal year, and, in fact, began to straggle over several periods. Some of them we found reported to the Audit Department as late as 1922.

Up to this time the Highways Department had no particular difficulty in keeping in close touch with any information they had to get out. While the bookkeeping was not properly laid out, the amounts of expenditure were not great and they were able to make statements of anything they desired.

In 1919 the amount received from the Treasury was \$4,000,417, and about the close of this year it became quite evident from the appearance of the books that they were getting into trouble, or were going to get into trouble, and in 1920 it was evident that they were not able to balance their books regularly. The books were balanced at irregular periods and very little information put in the books to show how the balances were arrived at. The books were not in 1920 for some time were not properly audited. We had to make up our own reconciliation, and when we got into the year 1921—

HON. MR. BIGGS: Just to clear that up, I don't wish to interrupt, but you say, was it \$209,000 odd that the books were out of balance, or—

A.—No, the books—I wouldn't put it that way. \$209,000 was the amount of accountable advance charged against the Minister, the Minister of Highways.

HON. MR. PRICE: By the Treasury?

A.—By the Treasury Department, and accounted for—

Q.—To the Treasury Department?

A.—Yes.

MR. FISHER: Covered by cheques to the officials?

A.—Covered by various expenditures, pay lists, some on contracts which straggled over a considerable period, but I found also that the amount should really have been larger. I don't know why it was done but the Highways Department reported expenditures to the 1920 fiscal period for some weeks

into that period back into 1919, so that the Audit Department has really given the Highways Department credit for expenditures greater than that belonging to the year. Accountable advances should have been really somewhat greater, in 1921 the advances from the Treasury were \$9,925,022.75. And we immediately began to experience considerable difficulty with the bookkeeping.

A.—Cash book, or cash journal, as they call it, which probably existed for the months of February, March, April and May of that year is entirely missing. We could not get any history whatever of that book. There is some evidence that they had such a book.

HON. MR. PRICE: What year?

A.—1921, February, March, April and May.

Q.—Was there anything in 1920?

A.—There was a cash, what they call a Treasury ledger in the year 1920 which was missing for months, but finally turned up a few weeks ago, and any information that was contained in that we made use of. But this cash book for the four months was never located.

Q.—What year are you talking about now?

A.—1921. We had, the only evidence we could get for the expenditure was a series of adding machine totals which gave us some clues to the numbers of the cheques and the amount. If I am not making my point clear, I would be glad—

Q.—Go ahead!

A.—We followed the record up pretty well by examination of the cheques and having of course the original vouchers, but when we got to the end of this period, that is the 31st of May, 1921, we found it had been the intention of the Department to open an account in the Bank of Montreal in which all advances from the Treasury would be deposited, and to draw on this Bank of Montreal account to the Bank of Commerce a cheque each day for the amount of pay lists—they called them pay lists, that is, pay rolls—of men working on the roads.

Q.—Will you explain why the Department were using, the Highways Department, were using two banks?

A.—Yes. About this time the Department had had a survey made by Mr. Osler Wade, chartered accountant, and he put in a report. One of his suggestions was that—one of his criticisms was the same as I would make—that everything had been dumped into the one column, and it was impossible for anyone, either an auditor or anyone in the Highways Department when the expenditure became great, to make anything out of that one column in the way of summary of expenditure. Without the Public Accounts the Highways Department would have been utterly unable to divide their expenditure and show it had been spent, on trucks or material or pay lists, and particularly to show the final totals laid out in the way of expenditures on certain projects, or to give any information that would be of real use or would be called for.

HON. MR. BIGGS: Just at that point. The four months of 1921, what period in 1921 was that, that you say this book is—

A.—February, March, April, May.

Q.—And so that; I just want to make this perfectly clear because I personally don't know any more about these points than any other member on the Committee. I know at that time I was not satisfied with the bookkeeping, and it was on my suggestion Wade was brought in there, to bring things up to a definite standard. Was that immediately prior to having Mr. Wade in that this book was missing?

A.—Yes. I would follow up what I was saying about Mr. Wade's report. He criticized this idea of dumping everything in to the one column and advised that the Department would open a bank account for pay lists alone. These pay lists were running into several hundred thousand dollars in the course of a year. I think that the people in the Department entirely misunderstood his meaning. In fact I know they did. He said that he didn't want these amounts all dumped into the one column and they thought he meant not to carry any cash book or cash journal for these expenditures. He didn't intend that at all. He intended they should keep a separate cash book for these pay lists. So, starting on the 1st of June, we find this feature arising.

Q.—First of June, 1921?

A.—1921.

A.—The Bank of Montreal account was opened on that date and all amounts coming from the Treasury in blocks of three or four or five hundred thousand dollars at a time started to go into that bank, and for a week or two they started to a cheque each day covering the amount of the pay lists of the day and deposited this cheque in the Bank of Commerce, the idea being that the cheques issued against the Bank of Commerce would exactly, of course, balance the cheque drawn and deposited, the cheque drawn on the Montreal and deposited.

But after a month or two, the reason being, I suppose, they were submerged with work at that time, and had many changes in their office, after a month or two, after a few weeks, the cheque stopped and they began issuing cheques in bunches, and a few weeks after that not even keeping a regular account of the amount of pay lists, but issuing cheques for \$50,000 at a time.

HON. MR. BIGGS: Let me ask you, you say various changes in the Department. Have you it in mind, was that—I just want to try to trace up—is that about the time that Mr. Scott superseded Mr. Austen?

A.—That would be a little earlier.

HON. MR. BIGGS: I just wanted to see if that was about the period?

A.—That would follow on some little time later, but there were many changes. I found that in questioning any man whose work I wanted to go over, I invariably got the history he was not on that bit of work at the time and he was working at something else, or, if we got in difficulty tracing any transaction, the man who did that work was not in the office. We got a history of when he left but we could seldom get hold of the man who actually did the work at the time, and these changes came in this period.

A little later on, in 1921, about June or July, they started to bring in occasionally a Treasury cheque direct to this Bank of Commerce—

HON. MR. PRICE: That is, instead of drawing on their Highway Improvement Fund when they needed money, they got a cheque direct from the Treasury to their own bank?

A.—Yes, instead of following out their intention of drawing a cheque for the exact amount of the daily pay list they took money direct from the Treasury and put it into the Bank of Commerce. Then we found in trying to follow up a history of the Bank transactions in the Bank of Commerce that there was no cash book and no book of any kind.

HON. MR. PRICE: There was no cash book in the Department?

A.—No cash book in the Department from the first of June, 1921—

Q.—Department of Highways?

A.—Department of Highways. No cash book of any kind, no book of any kind, and this condition—I was not satisfied. I thought that could not be true, and we had the place ransacked practically from cellar to top hunting for

books, but the story was the same from everybody who knew anything of the history of these days—there was no cash book.

Q.—How long did that condition obtain?

A.—That obtained for a period of twenty-one months.

Q.—Twenty-one months, that is, with no cash book or no book of any kind recording—

A.—Pay lists amounting to several hundred thousand dollars.

THE CHAIRMAN: The approximate amount?

A.—It would amount to quite a few hundreds of thousands of dollars. I could turn up the exact amount on looking at Public Accounts.

HON. MR. BIGGS: Were not these transactions or these payments out in any book? You say there was no cash book. There surely was a record?

A.—No, there was not a cash book, there is no cash book or any book of any kind, unquestionably. There must have been an adding machine list in the latter part of that period of twenty-one months. We come on such lists; they are in pretty bad shape, but we do get them.

HON. MR. PRICE: Twenty-one months from the 1st of June, 1921?

A.—Yes.

Q.—That would take you on to pretty nearly the end of 1922?

A.—That took us on to the end of 1922. Then it took us up to the 1st of November, 1922. At that date we found a cash journal for pay lists starting again.

Q.—At the beginning of the fiscal year 1922?

A.—Beginning fiscal year 19—it would be the 1923 fiscal year.

Q.—You did find then a cash book?

A.—The cash book starting again. I think probably that book was put in by Mr. Scott who succeeded Mr. Austin, but in the period of twenty-one months there is nothing in the office, nothing at all, that gives the history of these pay lists cheques except the cheques themselves.

HON. MR. BIGGS: You have the returned cheques?

A.—Returned cheques.

Q.—Do they check up with the stubs?

A.—They check up fairly—

Q.—Could you build up a record from that at all?

A.—Yes, we are satisfied that the expenditures in the Bank of Commerce were regular, generally speaking. We found that many changes had taken place after the date the vouchers had been sent to the Audit Department, that a voucher had been accepted by the Audit Department and placed in the blue book didn't necessarily mean that the Highways Department had expended that money.

HON. MR. PRICE: Do you mean to say vouchers would be sent up to the Audit Department that were not correct?

A.—Yes, I do. I found in a number of cases—

Q.—Vouchers sent up, but they were not real—phoney vouchers?

A.—Particularly on pay lists I found that vouchers would be sent to the Audit Department and that the duplicate in the Highways would be changed. Possibly a man's cheque would be cancelled for some reason, they found that he was on the pay list in error, and they would cancel it, but they didn't notify the Audit Department. Changes of that kind did not amount to much but they were numerous small amounts and they existed right up to the end of that twenty-one months and on into the new period when there was a cash journal, and, as a matter of fact, are going on through the year, through the fiscal year

1923, and the exact balance and accounting of these pay lists from the Bank of Commerce do not really come into balance and into harmony until the 1st of November, 1923, which is really the commencement of the 1924 fiscal period.

MR. LEWIS: Just a question. These vouchers that were sent up to the Treasury Department would be based on, the sum arrived at, by totalling a pay list or several pay lists?

A.—A number of pay lists, yes. Now there might be a group, something like that, say seven or eight pay lists, in different districts, on different roads, on one voucher, setting out the details of the pay list and the cheque numbers.

MR. LEWIS: Supposing as you say that all vouchers had gone up, it was discovered that some men on those lists were on wrongfully, the voucher in the Department would be changed; are you able to trace the difference between the amount of the voucher sent to the Treasury and the actual amount of the voucher as it was paid?

A.—Not exactly, no. I can do that in the period of 1923, but we cannot do that for that period of twenty-one months because we only have the cheques and we can only make an approximate reconciliation between the pay lists actually paid and those accepted by the Audit Department. But I will say that I am satisfied that there is no great discrepancy there, and there is nothing that I would feel had gone particularly wrong.

MR. LEWIS: That is the point!

A.—in respect to that point of the work.

But in this year 1921 the accountable advance had run up to \$776,011.45, the Department officers and clerks had been making many efforts to get out isolated statements but they did it in a spasmodic and isolated way, and no work that was prepared at that time was ever gotten into such shape or incorporated in the books so it could be of any great use.

Now for instance they started to keep, or at some date they commenced a book showing the purchases of machinery and equipment, but this work was abandoned quite early in 1921 because the man who had been working on that end who evidently took great pains to get a good record was removed from the work.

HON. MR. PRICE: What was his name?

A.—I think that was Mr. Dickson.

HON. MR. BIGGS: Did he leave or was his position changed?

A.—I think he left the Department.

Q.—I see; I don't know.

A.—We find this, with the history of equipment purchased and supplied at that date, in dealing with that for a few moments—

HON. MR. PRICE: Just before you go into that, you are getting into the equipment?

A.—I was going to do it.

Q.—You will go into it more particularly after a while?

A.—Yes. I was just going to say, dealing with machinery, equipment, list of properties bought, as we went on from that date we found that these one column entries were so bare of information that we were absolutely dependent upon the Audit Department vouchers which were in pretty fair shape and well vouched. I mean by that they had plenty of information on them and were well initialled. We had to depend on these vouchers to get the history of many cheques. An item in the cash journal, "repairs, two or three thousand dollars," might be a small item for repairs; it might include rather an expensive

bit of machinery or equipment, and the same condition practically applied to the properties.

HON. MR. PRICE: Just at that point, when you found this cash book missing, missing records for twenty-one months, how were you able to work this out so that you would be able to find out whether these expenditures were made? I want you to tell the Committee because it has taken a long time to get into this and I want the Committee to know why it has taken a long time—expenditures of \$50,000,000?

A.—Well, we had, fortunately,—the cheques of the Department were in very good shape. They were pasted back and we made lists of the cheques returned, those that were not in the Department generally were found in the Audit Department vouchers and we were able to get a reasonably close approximation to the expenditure during that period. It would be absolutely impossible to ever get it in balance owing to the changes they made in their books, in their records. That is, we would find a cheque different from the voucher which went to the Audit Department. I should say we made use of these vouchers too and added them up, but often we would find a man down for an amount of pay on the Audit Department pay list and would find that the Highways Department cheque had been cancelled and that he had not got the money at all. We were able to prove that it had gone into the Public Accounts because the total shown on that particular pay list and on the list of that day, on one particular voucher or the accounts which would check up with a book of record the Audit Department officers down at the Highways had.

Q.—Didn't you have to go into the banks to get a lot of your information?

A.—I was just coming. When we got into the Bank of Montreal transactions, that is covering ordinary expenditures, building contracts, purchase of material, equipment and so on, we found that bank balances, that the last authentic bank balance of the Department with the Bank of Commerce ended with May, 1921, and that for many many months they did not have an exact balance with the Bank of Montreal. There is nothing on file anywhere to show that they had that balance. We had not gone very far before we found a sheet, a double sheet, one sheet, out of the cash journal, and had to turn to the cheques to get a record of that.

MR. LEWIS: Do you mean that you found a sheet missing?

A.—Absolutely missing, and we could get no information regarding it, so we had to go to the cheques returned and found that one sheet. In the cheque book, this cheque book is numbered to take care of each cheque as it is returned—3075, 3077, 3078, on one page—we found one sheet had been torn out of this book. It had been torn out because the reverse side was there showing the marks where it had been torn and the four cheques making that sheet up were missing.

That made it necessary, that and the fact that there was no balance and the general condition of the cash book made it necessary to retire to the Bank of Commerce and I worked there several days myself. That work went on over a period of ten or twelve days and we had to go over all the transactions of the Highways for a period of some months. We found all the cheques which would belong to this sheet which was missing in the cash journal with the exception of two to be properly accounted for and covered by vouchers which the Audit Department had, but these two for \$50 each, we got no history for at all and have never been able to get any. No voucher covering these two was sent to the Audit Department. There is no cheque for either of them on file and no history of any kind and no duplicate voucher.

The Department has on file duplicates of the vouchers sent to the Audit Department which were in pretty good shape I think from 1921 but in bad shape up to that period. We were able to account for all amounts from the Treasury Department having all gone into the Highways Department bank account, and in fact right throughout I was able to satisfy myself that they had accounted for all advances. About that period I began—

Q.—Before you get into that, let me ask you a few questions. Isn't it an extraordinary situation where you find no records, no public records particularly; this is a public department, public records, over twenty-one months?

A.—It was to me a very extraordinary thing.

Q.—You didn't expect to find that situation?

A.—I did not expect to find that situation and I did not believe it when I was told it was the case, and I would not believe it until I questioned everybody in the office.

Q.—Didn't that make it very difficult for the auditor to get accurate audit of these accounts?

A.—It made it very difficult. At this time it drove us to searching isolated records in the Department, cards which would have been very valuable had they been assembled and brought to a final conclusion, books which would have been valuable had they been brought along and brought to a conclusion; anything that we could find we had to look up to get the history of these entries which we found missing.

Q.—Now did you endeavour to find out the explanation of either the missing books, or no books?

A.—I could get no explanation at all about this book missing for the four months. The first information I got was that there is no such book and never had been, but later on there was evidence of a cheque sheet in that period. I think it showed reference to a page in a cash journal which showed that a cash journal must have existed for that four months.

Q.—Who was it denied that there was that book, cash book, for four months?

A.—Oh, I think I am safe in saying I asked everybody in the office and no one could give me any information. I asked that from the chief accountant who was then Mr. A. C. Scott, down, and nobody could give me any information on that. The story I would always get would be that the man who was working on it was not there; he had gone, had left the Department. But when it became evident that there had been a book, Mr. Allan, who is at present in the Department, thought that he could remember that there had been such a book and that he heard that it had gone to the printers for binding and had never been returned.

MR. LEWIS: Still in the Department, is he?

A.—Yes.

Q.—Allan?

A.—Yes.

MEMBER: The witness states that the men working on this particular book had gone. What does he mean? Had they left the Department, or employed by the Government on some other work?

A.—These men working on that cash book at that period had left the Department.

THE CHAIRMAN: What I cannot follow, is there no book of original entry at all?

A.—No, sir.

Q.—You speak of the cash register list; is that the only thing you have?

A.—That is the only thing we had for the four months.

Q.—And you had to build up?

A.—We had to build it up; that is what has taken us such a long time.

HON. MR. PRICE: Just cash entries in the bank is all you had to go on?

THE CHAIRMAN: So if we hadn't a bank and hadn't a cash register we would not have had any records of these hundreds of thousands of dollars at all?

A.—No, sir.

HON. MR. BIGGS: Hadn't you cheques?

A.—The cheques.

THE CHAIRMAN: The cheques were listed on this Burroughs' list?

A.—Burroughs adding machine.

Q.—So you had to do the original bookkeeping from there?

HON. MR. BIGGS: You had the returned cheques?

A.—We had the returned cheques and we had the original vouchers which we got from the Audit Department.

HON. MR. PRICE: Where are the returned cheques placed?

A.—They are in a filing room.

Q.—They don't go with the voucher?

A.—They are in a filing room and they are bound in books.

Q.—Pasted back?

A.—Pasted back, and the book is labelled Bank of Commerce, cheque, so and so to so and so—

MR. MCBRIEN: Endorsations are on the back?

A.—Oh, yes.

Q.—When they made a payment it was not entered into any book of any kind?

A.—Not for that four months, and for that period of twenty-one months no books.

Q.—For four months you couldn't find anything; for twenty-one months you couldn't find anything but some people have a recollection?

A.—It is submitted there never was a book.

Q.—For the original four months?

A.—Never was a book.

Q.—But for the twenty-one?

A.—Never was a book.

Q.—Did you find this book?

A.—Never did.

Q.—So we have for twenty-five months, over two years; that is pretty good?

A.—I would like to say that the condition is now different from that. In justice to the members of the staff some of whom are here, I would like to say that the bookkeeping from some period in 1923 up to the present was good and I think it bids fair to be excellent. These conditions don't hold good from 1923 on.

THE CHAIRMAN: This period of twenty-five months were without any entries at all?

A.—For that part of the expenditures, that is the pay list. You see, I should make this point clear, we balanced, or we made a reconciliation, and I intended to have that all the way through to show an exact reconciliation between the Audit Department and the Highways Department. We made that for the years 1917, 1918 and 1919 and we could have made it for 1920. I thought it best to go right ahead and cover the whole ground but it is impossible to make it from that time on, and it is impossible to get an exact reconciliation to-day. I have an approximate one.

Q.—Suppose a pay list came in properly vouched and cheque would be issued for it, is that the way?

A.—Yes.

Q.—Where was that entered? What record of it was made?

A.—It was not entered. Now I think this is perhaps where the misunderstanding occurred. They thought that Mr. Wade's suggestion—I don't think they had any reason for thinking that—but they thought his suggestion was that the duplicate copy of that pay list might be kept as a cash book but they didn't even follow that up. They filed that away where they have kept them as a duplicate voucher, but they made—I think they did; there is no evidence to prove that I am right or wrong—they probably made an adding machine total but if they did they destroyed them. They were certainly not in the place.

MR. LEWIS: You said these duplicate pay lists they placed on file where they kept them, but the inference is that there were some of them not kept?

A.—Yes. I found the duplicate vouchers to be in bad shape up to the end of 1920 and in fair shape in 1921 and in good shape in 1922 and 1923, fairly complete.

HON. MR. BIGGS: In this connection, while there is not a cash book kept of these pay lists, you said that there was a record in the Department of some kind or description. I don't say it was the right record that should have been kept, but there was a record, that a duplicate record as I understand it, of these payments—

A.—They always got a duplicate pay list.

Q.—There was a duplicate pay list?

A.—But I didn't bother very much about that because I had the original pay list from the Audit Department.

Q.—Oh, I see.

THE CHAIRMAN: But those pay lists were never entered in any book?

A.—No book, no book of original entry.

MR. KEMP: In 1923, there was a good system from that time on. Is there any change in the staff from that time?

A.—Oh, there have been a number of changes. The change Mr. Biggs speaks of took place in 1922, I think, when Mr. Austin was succeeded by Mr. Scott, and an improvement started, but I think that the real improvement started when Mr. Brown, the present accountant, or acting accountant, took hold, or before he really took hold as accountant.

MR. KEMP: Did you notice any of the auditor's reports for these years in which this irregular bookkeeping took place? Is there any mention in the auditor's report for that year as regards that?

A.—Not in the Public Accounts.

MR. MCBRIEN: Were they audited by the auditor?

A.—Well, you see, I got from him—I am only speaking now of what I saw myself—the original vouchers, these original vouchers, were started from the outset to agree with the Public Accounts; the Department hadn't gathered their figures into any ledger totals and the segregation of expenditure shown in the Public Accounts is the only history showing what the Highways Department was accomplishing or what its expenditures were or how they divided into contracts, machinery and so on. Those things didn't show in the Department's books for that period.

MEMBER: The head of the Department would depend on the auditor's report. Would the auditor's report for these years show this irregularity in bookkeeping, that there was something wrong with the statement, or so on?

A.—Well, nothing of that kind has come to me in this—

Q.—No auditor's report shows that?

A.—No.

Q.—For that date?

A.—I think that the auditor, from conversation with him, I think that he was objecting to this balance running up so high.

HON. MR. PRICE: I will put the auditor in the box later.

A.—I would like to go back on 1921, but I wanted to get into 1922 and 1923 to show the final balance of the difference, or accountable advance. In 1922 the amount received from the Treasury was \$12,050,000, and in 1923, \$16,897,172.99. At the end of 1922 the accountable against the Minister would be \$1,083,885.71, but that did not show the true state, because the Department had very heavily drawn on their bank. They had a very heavy overdraft of approximately \$900,000; and, more than that, they had put back into the Audit Department expenditures which are entered in their own books in the succeeding period, under date of November, into 1922, so that the Highways Department had expended over and above the amount of vouchers which they had then accounted for to the Audit Department the amount of about \$2,300,000. This is proven by the fact that at a later date they sent in vouchers for approximately two millions of this expenditure which had been gathered up by the new accountant, Mr. Scott, from various sources. I questioned him very carefully on that and he tells me he gathered up this amount of approximately one million and three-quarters from odd corners, pigeon holes, desks, on top of desks, and from various points, and everything that he could get his fingers on he sent to the Audit Department.

HON. MR. PRICE: Just at that point, for the explanation of the Committee. These moneys are moneys that were in the Highway Improvement Fund and when the Public Accounts are made up we will say if there is a mislaid cheque to the Highway Improvement Fund and the Highway Department is handling that, if they made a report to the Treasury Department that only \$750,000 of that money had been spent that is what would go in the Public Accounts for that year.

A.—Yes, sir.

Q.—Now Mr. Walker tells the Committee that in one of those years they had an overdraft at the bank of \$900,000 in addition to much heavier expenditures than they reported to the Treasury Department?

A.—Yes.

Q.—That is correct, isn't it?

A.—Yes.

Q.—So that actually at the end of, what was it, 1923?

A.—That would be in 1922.

Q.—End of 1922 they had spent, how much more than they forwarded to the Public Accounts, than they advised the auditor?

A.—They had spent about a million three hundred thousand more.

Q.—That is, in the fiscal year 1922, they had spent over a million.

A.—Million three hundred thousand.

Q.—More than they sent to the auditor to put in the Public Accounts of that year?

A.—Yes, they had sent to the auditor an expenditure of over \$400,000 which didn't belong to that year entered in their own books in the next year.

MR. FISHER: Couldn't they do that without the auditor knowing about it?

A.—Well, I don't know about that point. I am only speaking from what I find.

HON. MR. PRICE: I think in fairness to the auditor what Mr. Walker says is this, that they apparently fooled him with vouchers. There would be a certain balance in one account of say \$150,000 or something like that, but in another account they had an overdraft.

MEMBER: Did the auditor sign every cheque?

HON. MR. PRICE: They have an auditor of their own in the Highways Department.

MR. MCBRIEN: Their own officials signed their own cheques?

A.—The auditor doesn't do anything except he goes in at the end of the year.

Q.—No check on the money?

A.—No check.

MR. FISHER: The Treasury Department would find out the condition of the bank account?

HON. MR. PRICE: It would find out the condition of the bank account, that is correct, but if there is an overdraft in another account—of course the auditor will explain.

HON. MR. BIGGS: We want to get clear; you say there was an overdraft at the bank of \$900,000 and there was an unaccounted expenditure of a million something.

MR. LEWIS: \$400,000.

MR. BIGGS: Whatever it was, there is a point enters in my mind that the work of the Highways Department, and the contracts let are not concluded at the end of the fiscal year. You realize a contract for paying or whatever it might be is not completed at the end of October or the final payments are not made. Now the progress certificates at the 1st of November might show a lot more money expended at that day than there had been calls in money from the Department. I am not—I want you to understand I am not here to defend anybody in regard to these matters. I just want to try and get the point out, but it might be possible that progress certificates had been issued against certain works at the end of the fiscal year that had not been charged to those contracts and for that reason there might be a difference in bookkeeping. I just wonder if the auditor took this into consideration. It is the end of the fiscal year and final completion of works would not work into the same period?

A.—I think I can make it clear how it happened. I don't think they know where they stood. Now I saw a copy of an Order-in-Council, I think it would be, authorizing the overdraft up to the extent of a quarter of a million. This \$900,000 overdraft of course would not come to the attention of the Bank of Montreal because it would be largely made up of cheques which would be outstanding, not presented, and probably as far as the bank is concerned, the overdraft would be within the limits. But I found—I am satisfied I am right in this—that the Department didn't know where they stood. They had no bank balances and I found that starting with 1921 they had an almost consistent overdraft. The Bank of Montreal was charging up interest, and finally these interest charges ran up to \$15,000. Now that wouldn't come to the attention of the auditor, the Provincial Auditor, because he didn't see those vouchers for a couple of years after. He didn't know that they had been paying this amount of overdraft because the vouchers were not sent to him. The Highways Department had no records in their books, and they haven't now. They are not entered; they never were entered in their cash book.

HON. MR. PRICE: If a million and a quarter dollars was kept back it would make the financial statement of the year look very much better?

A.—Yes.

Q.—That is, if it had been handled in any financial year it would have made probably quite a heavy deficit?

A.—Well, it brings up this point, that of the \$16,897,000 the Department got in 1923, \$1,300,000 of that really went to pay overdraft at the bank, the \$900,000 of that amount that was put back wrongfully into 1922.

THE CHAIRMAN: Have you any memo of what the interest on the highway overdraft is?

A.—The rate of interest?

A.—First, what was the rate?

A.—Six and half.

Q.—Six and half, and what was the Province borrowing at that time?

A.—I don't know.

HON. MR. BIGGS: This is in 1921.

THE CHAIRMAN: So there was a loss going on there?

A.—Yes.

MR. FISHER: What do you mean by an overdraft?

MR. LEWIS: You are lucky if you don't know!

A.—I mean they had arranged with the bank to have charged personally against their account in excess of their deposits.

Q.—Was there an overdraft?

A.—Oh yes.

Q.—Besides all the cheques that were outstanding?

A.—Oh yes, almost consistently in 1921 there was an overdraft.

Q.—Was there any special account for that overdraft?

A.—In the Highways books?

Q.—Yes.

A.—None at all.

Q.—How would any auditor going through, how would he miss it?

A.—I cannot speak as to that, but the Highway officers didn't know anything about it.

Q.—If you were going in there to-day the first thing you would be to go to the bank to find out the condition?

A.—Yes.

Q.—Was there any reason why any auditor could not have done that?

HON. MR. PRICE: The Highways auditor should.

THE CHAIRMAN: The Highways have an auditor of their own.

MR. FISHER: Doesn't the other auditor go into it?

HON. MR. PRICE: Yes, at the end of the year.

THE CHAIRMAN: But what Mr. Walker points out is that instead of drawing from the Provincial Treasurer from time to time as they required the funds to meet their payments on the road work, they accumulated an overdraft in the Bank of Montreal on which they paid $6\frac{1}{2}$ per cent., when the Province were borrowing the money around $5\frac{1}{2}$ to 6, which was a net loss all the time, not only bad bookkeeping, but a loss of money.

HON. MR. BIGGS: It is just a question, whether it is a loss of money or not. If the Province had a big block of money lying in the bank drawing no interest, it is a question.

THE CHAIRMAN: The Province had \$10,000,000 to their credit at that time.

HON. MR. BIGGS: Are you sure?

THE CHAIRMAN: Yes, we looked it up.

MR. BIGGS: You had more chance than I did.

THE CHAIRMAN: But you could do this.

A.—The accountant at the Bank of Montreal when I was working on this he expressed the opinion himself. I said this overdraft, I said, looks peculiar to me. Yes, he said, and the Treasury had plenty of funds in their accounts. That was his remark.

THE CHAIRMAN: Is it right that in one account in the Bank of Montreal, the Province had a large credit, the Treasury had?

HON. MR. PRICE: He would not know that, but I will tell you how you could arrange that. If the Highways Department advised the Treasury Department that they were short of money then the Treasury Department could keep check on what they were spending on their roads, but if they didn't advise the Treasury Department and allowed an overdraft to run at the end of the year, there would be no record in the Public Accounts of this overdraft. As soon as the Treasury Department were advised that there was an overdraft or that there had been a lot of money spent without drawing money for it, why of course the thing could be remedied, but until that time there would be no record in the Treasury Department. It looked like a means of spending money without putting it in a certain fiscal year.

MR. MACBRIDE: Do I understand the Province had an account in the Bank of Montreal attached to which there is a substantial credit balance and at the same time there was another account but carrying an overdraft. Both at the same time?

MEMBER: Yes, the one was the Province's, credited to the Province and the other was the Highways.

HON. MR. PRICE: I will explain that. I think you have that wrong. The Highway Improvement Fund was a fund into which all moneys to be spent on roads was checked by the Treasury Department on a requisition of the Highways Department. That is, the Highways Department would say to the Treasury, according to a certain statute creating the Highway Improvement Fund, we want a million dollars, and the Treasury would give their cheque to the Highways Department for a million dollars. This would be deposited in either the Bank of Montreal or the Bank of Commerce, the bankers for the Highway Improvement Fund, or the Highways Department. I think they had the Commerce look after the pay lists, wasn't that right?

A.—Yes.

Q.—And the Montreal looking after the contracts and other large things, so that the Highways Department itself had these two accounts. Now if they go on spending money until they had spent all the money in both of these, accounts they would have no money at all to carry on. Then they would get an overdraft in their own accounts to enable them to carry on. That has nothing to do with the Treasury Department who have accounts in all banks, probably. It is a poor time when the Treasury doesn't have seven, eight, ten million dollars. When they get down below they think they are getting pretty low because it runs out pretty rapidly. So if the Highways Department had said we are down low in our accounts, the Treasury Department would have given a cheque for a million dollars and they would not have had an overdraft. Now we were only getting three per cent. on our money in our bank whereas the Highways Department when they were in overdraft were paying six and one half.

MR. FISHER: Doesn't the auditor audit the bank account of the Highways Department?

HON. MR. PRICE: Yes, he does at the end of the year, but they make out their own vouchers just the same as if I gave you an accountable warrant for \$1,000 and you would draw your own cheques on your accounts deposited in your own bank and account to me at the end of the year. If you brought back your vouchers to me I could check it up and I would find it was all right, but the unexplainable thing is that apparently somebody must have certified that there was no overdraft or could not have looked into it.

MR. MACBRIDE: Shouldn't we have a running audit on the Department of such expenditure?

MR. PRICE: I am getting that done. The Act is being amended. I had no powers, the Provincial Auditor had no powers, to go in except at the end of the year.

MR. MACBRIDE: The Hydro has a running audit all the time.

HON. MR. BIGGS: At what time about was a branch of the Auditor's Department opened up in the Highways Department down there?

A.—I have no knowledge of that.

Q.—I thought probably going over the books you would be able to determine?

A.—Branch of Audit Department! Oh, I know what you mean.

Q.—Yes?

A.—Yes. I don't know. I understand two years—that would be two and one-half years about now. I think at the end of 1923, or the early part of 1924, but I am not sure about the date.

Q.—It must be further back than that. You see two and one-half years would take you back to the 1st of January, 1923. I have it in mind of being established but I cannot establish the date.

A.—Well, it may be; that may be right, perhaps it does go back to that.

Q.—From that time on was there a running audit kept or was it periodical?

A.—From that time things are wonderfully improved. We are now working on the 1923 expenditures and we find very little to criticize.

THE CHAIRMAN: Two years ago would bring it to 1923.

MR. BIGGS: That is what I say. It must have been about the first of 1923, I have forgotten the date.

A.—The amount from the Treasury in the year 19—

HON. MR. PRICE: Mr. Brown tells me when the Highways moved down to University, they put a man down there.

MR. BIGGS: Well, in that connection we might ask Mr. Brown what type of audit was kept by the Auditor's Department, was it continuous, running, or periodical?

MR. BROWN: I would rather go in the box.

A.—I could cover that part partially. In auditing 1923 we examined the record of vouchers handled, and a very good classification, and we found no difficulty at all, in fact our work is wonderfully easy and has become straight away work now, with a definite object in view. We are not having trouble with the 1923 accounts.

HON. MR. BIGGS: We will go back over the period where vouchers appear to be there, or the duplicates of the payments—can you find any irregularities, that is, I mean any irregularities where there were payments made, that the cheques did not vouch up? You spoke of two \$50 cheques?

A.—Yes, I was going to bring that up. Well, I will take that up now, if you like. When we came along into 1920, we had little difficulty in following them up. We found they acted upon Mr. Wade's suggestion and started in a system of bookkeeping whereby they kept ledgers that they carried in all the amounts owing to the Department that they could keep track of, had kept track of, but I found in checking up the receipts from the townships, counties and cities that certain charges which had at one time been made had apparently been lost track of and had never been collected. There was a charge against various municipalities for a toll gate between Port Hope and Cobourg, which, with the exception—

HON. MR. BIGGS: This is a toll gate we own.

HON. MR. PRICE: This is a private one.

A.—With the exception of an amount paid by the Township of Hamilton has been assessed against the other towns and townships and county but had never been collected. I drew that to the attention of the office and it was investigated and after a considerable amount of correspondence these amounts were collected, but without interest. They had been outstanding seven years, well sixteen years, over six years, and I also—

HON. MR. PRICE: Where the counties owed the Province money?

A.—Well, this was in connection with this toll gate particularly.

HON. MR. BIGGS: Wouldn't that be a toll road?

A.—I call it toll gate. It was a toll road.

Q.—And it dates back six years from when you made your audit?

A.—Well, the assessment was made in November, 1918.

Q.—I see.

A.—The amounts have only recently, just within the past few months been received. There were a few other charges against two or three other towns which had also been lost sight of but the Department is after those amounts and will likely get them in. There were a number of irregularities in connection with the receipts. There were collections in the Highways Department consisting of refunds from railways and items of that kind and there are some shortages there, which I have reported upon specifically, and there are also some shortages in connection with the returns of these accountable advances. I had listed five or six thousand dollars worth of accountable advances not cleaned up in the books, but in following up the matter by correspondence a considerable number of these were cleaned up as forming part of deposits which had no history attached to them at all, merely the bare statement that an amount had been deposited; and in corresponding with certain of these engineers, it turns out that in several cases, where, for instance, an engineer had had cheques sent him for expenses and had endorsed these cheques back, that the cheques were cashed by the Department, and the cash doesn't show in their bank or anywhere else.

HON. MR. PRICE: That is on accountable warrants?

A.—That would be the return: for instance, a man would owe \$100; he would have \$100 coming to him for expenses and would have a cheque sent to him for the \$100, and the case I have particularly in mind was \$60 and \$40, he was asked to either endorse these cheques back or issue his own cheque. Following up the history of his statement, I found that he did deposit \$200 which made up the rest of his accountable, traced it into the—followed it from his bank transaction into the Department's bank, and it formed part of a deposit which we could not up to that time trace, and the balance of the \$100 was covered in these two cheques, endorsed over to the Department, endorsed in blank.

Q.—Who told you these were endorsed over to the Department?

A.—I got the cheques and the explanation.

Q.—The cheque was cashed all right but the money, the refund, did not get to the Department?

A.—The cheque was endorsed back.

Q.—But the point is the money didn't get into the Department; someone must have gotten the money. How many cases of that occurred?

A.—Well, I have got two cases in addition to these refunds, I have two cases of cheques where it is clear.

MR. FISHER: How much does that involve?

A.—It would be between \$300 and \$400 involved there. There is another item.

HON. MR. BIGGS: Before you leave that, what were these particular amounts in payment for? I don't wish to involve anyone, but what were they for?

A.—Travelling expenses. There were other items of receipts such as payment for tile drain by one of the men in the office in this matter; he received \$48 in payment of a tile drain that he received \$50 and gave \$2 change out of his own pocket, and that the money was placed in his desk, with a safety lock, and was missing in the morning. I spent considerable time following up this item of revenue from tile drains and found it was pretty well protected, such as in installing an engineer would have instructions to have a marked cheque accompanying it and very seldom did a requisition come in with the cash attached to it. And I could never find that any cheque actually payable to the Minister or to the Department ever went astray. Some cheques did, some currency did, some cheques which were openly endorsed could not be accounted for, some currency could not, but outside of refunds from railways, a few items of that nature, very little came in except by cheque. It would be difficult, though, to be certain that the Department had received all the revenue it should, and that brings up one or two points in connection with that. The Department receives a very considerable back from cement companies for bags. For the last year or two, the last three years, these amounts have been coming in by cheques, and these cheques have been sent to the Treasury. Up to that time the Department must have lost a great deal of money by not being able to take their discounts by paying a day or a few days late in paying. I have a case in mind where they lost over \$1,200 on one invoice, and another case where I was investigating an unknown deposit where I found this deposit came back from the Canada Cement and the Canada Cement had charged up to the Department several hundred dollars of discount which they refused to allow. The Department must have also lost a considerable amount in the non-accounting of cement bags. The system now provides that all cement bags are charged to the contractor. If these bags go astray the loss is on the contractor, not on the Department. In going over the vouchers I found here and there a cheque issued which I could not be satisfied with and had to report on specifically.

HON. MR. PRICE: On the question of cement bags, what does that involve?

A.—That would—

Q.—Refund from cement bags, do you want to go into that particular part of it?

A.—Yes.

Q.—Have you completed or you haven't completed your resume of the whole thing?

A.—No, I haven't.

Q.—Well, all right, go ahead.

A.—At the end of 1922, giving effect—vouchers belonging to the periods of that audit which had been sent in subsequently, and giving effect to various segregations which need to be made covering several vouchers which were duplicated to the Audit Department, and certain receipts which the Highways Department placed in their own bank but should have gone to the Treasury, the difference, or the accountable advances unaccounted for, would be \$323,857.78. I have made up a list.

Q.—That is over \$300,000 where you cannot get vouchers for?

A.—Cannot get vouchers; the Audit Department had not been furnished with vouchers.

MR. FISHER: Did you get them?

A.—Well, I was just going to say that I made up a list of these items which had not been covered by vouchers received from the Audit Department, and we carefully sifted the evidence. We have a list showing that we can account for \$318,685.85 of this amount and the balance of \$5,172.23 I think will apply, subject to any little difference affecting this which arises in the year we are now auditing, will apply to pay lists. There are some pay lists which I know did not get to the Audit Department, and it is extremely likely that there were some in this period when there was no cash book which did not get to the Audit Department.

HON. MR. BIGGS: Do you mean in this connection they didn't get there at all or they didn't get there in time at the end of the fiscal year?

A.—Didn't get there at all.

Q.—Any time?

HON. MR. PRICE: Well, of that \$300,000; how much is that?

A.—\$323,000.

Q.—That is \$323,000 that the Audit Department could not find vouchers for?

A.—Yes. Didn't get vouchers.

Q.—Vouchers had not been supplied to the Provincial Auditor?

A.—No.

Q.—And then what did you have to do to try and clean up that discrepancy?

A.—To satisfy ourselves that those amounts were proper expenditures and had not been reported to the Audit Department we had to examine all the records we could find and I was hoping as we went along that it would be as close as six or seven or eight thousand dollars. The difference now is about \$5,000.

Q.—You haven't got any original vouchers for them yet?

A.—No original vouchers.

Q.—No original vouchers?

A.—None at all.

Q.—So when the auditor could not get original vouchers he was not to blame?

A.—Oh there are none in the Department.

Q.—And you had to go to build it up to these adding machine items and the bank, visit the banks, and look into the various books there, and getting the cheques, you had to build up the whole thing?

A.—Yes.

Q.—And it was not only the building up of that \$300,000, but build up all around it?

A.—Build up all around it. I had to do that so I could be satisfied that I could say with confidence that this list represents expenditures that were made

by the Department which didn't differ in their nature with those which had been vouched for. I am quite satisfied that this is as nearly an accurate a list as can be got.

MR. FISHER: What I understand is that you have cleaned up these vouchers and you are satisfied they are right except about \$5,000?

A.—I am satisfied those vouchers are right and I am satisfied that these can clearly be set down for pay lists which I cannot identify.

Q.—The \$5,000?

A.—The difference.

Q.—So you are satisfied at the present time there is nothing wrong?

A.—I am satisfied there is no shortage.

MEMBER: Do I understand you to say you cannot identify these pay lists?

A.—There is no cash book for a period. I cannot cover them.

HON. MR. PRICE: Do you think there ever were vouchers for these?

A.—There is not any evidence in the office that they exist to-day. Yes, from your question, I do think there were vouchers. There may have been vouchers. The duplicates are there and the evidence of the payment is there. Now taking the items that would be on contracts and some on properties bought. You can get clear evidence that those amounts were expended on the contracts and for the properties. There must have been vouchers in the office but they are most certainly not there now.

Q.—Did you inquire to find out where these vouchers went?

A.—I inquired through and through. I was not content with only inquiring, I searched myself, and had members of my staff search to make sure that they could not be stuck away somewhere and escaped notice, but they are not there.

Q.—Would they be destroyed deliberately or not?

A.—The only story I could get, I got the frank statement that one of the clerks there destroyed vouchers, that is, swept them off of his desk, threw them into the waste paper basket; that statement has been made more than once to me.

HON. MR. BIGGS: But yet in this account you have been able to build up quite a satisfactory account or explanation of the account?

A.—I think so, yes. I am satisfied that if the original vouchers had not been destroyed and were at hand that they would correspond very closely, that that difference would be so small—I know that it doesn't balance—it would be very small.

MR. FISHER: What can you say about the rest? You made it quite evident in your opinion this bookkeeping was very bad, or had been the case. I think the Committee would like to know whether you are satisfied yourself as to whether there is any crookedness?

A.—Well, I have got only in minor transactions, I got some expenditures which I would not be satisfied to say are in order or that the Department got exactly what was intended to be got for the issue of the cheque. I have some few things to question, some items of revenue which have not come in and I think they should have come in. Outside of these minor matters, some of these refunds, and some items of cash have gone astray, there is no shortage. It was a difference which has been fairly well cleaned up.

MR. WILSON: I suppose, apart from these small items, with regard to the bad system and records, there was plenty of opportunity for crookedness, for that kind of business going on?

A.—Oh, undoubtedly the Department must have lost, I don't say how, but the Department must have lost a very considerable amount in these cement bags and in its keeping of the stores.

HON. MR. BIGGS: Just get this cement bag thing cleaned up. We are back the second or third time now. Have you been able to account between the number of cement bags that were returned in good order and the number of cement bags that were so damaged in shipment and use that they were not fit to return? It would show a loss which every contractor has to suffer who is using cement?

A.—Oh, there would be a percentage of that, but from the fact that they were not followed up closely I would say that there must have been loss to the Department. There would be a loss to-day if the bags were not charged to the contractors, and there is a loss, but the contractor to-day bears the loss.

Q.—Yes?

A.—Because they are charged to him.

Q.—It is a difference in system?

A.—Yes.

MR. LEWIS: A difference in system under which the contractor loses instead of the Department.

A.—Instead of the Department.

HON. MR. PRICE: Go on and complete your first thing?

MR. MACBRIDE: I would like to touch these items, missing vouchers; wouldn't it be possible to have duplicate vouchers? You had cheques?

A.—Oh, that is what I have done. I hunted up all the evidence, duplicate vouchers where I could get them; cheques, ledgers, and cards, and I am satisfied that this list that I prepared is in good order and represents the true expenditures.

Q.—You have gone to the trouble of getting duplicates?

A.—Oh, as I said, in searching we haven't only sifted this evidence but we have resifted it. We haven't spared any pains to make sure.

HON. MR. PRICE: How many months have you been on this?

A.—Well, I have been at it myself since the end of July, and I have three men there who have been on it pretty well six months; I guess six months, probably.

HON. MR. PRICE: As I explained, Mr. Chairman, at the beginning the reason that I wanted to get this cleared up was they wanted me to put an item in the estimates to cover it, and I thought probably it was something that could be cleared up by a proper auditor and as the auditor hadn't a proper staff Mr. Walker went in. I am glad it is sifted down.

WITNESS: We could have done it in probably half the time but we had to get the staff; we had to take the time; we have covered the ground I can say without any attempt at evasion, we have sifted this evidence thoroughly. We have prepared a list of the equipment purchases; the department valuation made at the end of the fiscal year 1923 was made on what equipment could be located and the valuations often differed from the valuations that were on the invoices at the time of purchase.

Q.—What would equipment include?

A.—Equipment would include all the road rollers, scarifiers, sprinklers, boilers, carts, waggons, and motor trucks and surface transits, rods and implements but not the small tools, picks, shovels, etc. I didn't put these in, and this list would come to—

HON. MR. PRICE: Just explain about the equipment, what you found. Or would you rather go on and come back to it?

A.—Well, I could follow that up now. But perhaps I could finish in a moment or two. Often the evidence as to the purchase of property was not conclusive and I found a great deal of trouble in getting evidence, not only

that the gravel pit or that the deed of property had been bought, but that the Department really was in possession of that property. That brings up one or two specific cases which I will come at later, but I have asked a number of times for a list of properties bought and the condition of these properties at the present time and the Deputy Minister is having that prepared. In some cases there is not sufficient evidence as to title. Either a deed, or a registration, and in some cases where a bit of property has been bought and a portion taken for a right-of-way I think that the Department is very apt to lose track of the balance of the property, either forget about it entirely or lose the opportunity to dispose of that balance at a fair profit. And that same thing comes up in connection with the machinery.

I took the opportunity of visiting one of the residencies to see how the system worked out, and happened to be talking to this engineer about the locomotive crane he was showing me. It was at one time valuable but now, although in good condition, obsolete, and it strikes me that the list of equipment and machinery as well as the properties that the engineers, resident engineer, should report on all these properties at least once a year and keep the Department closely advised as to the condition of it, and where a sale could be affected of that part of a piece of property that was not required for the purpose—

MR. FISHER: I don't want to interfere, but I would like to ask the Provincial Treasurer if he doesn't think this could be shortened up.

HON. MR. PRICE: I think he is just through.

MR. FISHER: We are not very much interested in these details.

A.—I have covered that ground. Now I will deal with specific cases, if you wish.

HON. MR. PRICE: How would it be if you took your one thing at a time, just go into it and clean it up?

A.—I came on an expenditure for \$50,000, a cheque issued to the Treasurer of the City of Hamilton and the Hamilton Sand and Gravel Co. I might say that this amount I found out afterwards was an amount which the Provincial Auditor would not pass. I think it was his intention to refer it to the Treasury Board. I was not thinking of that point at the moment but following it up and trying to find what the Department got for that \$50,000 I could not get any information in the way of title or registration of what the Department owned, and the closest information I could get was that in connection with the Hamilton entrance, the Department appear to have a small portion of property, about, approximately two-thirds of an acre, but following up some correspondence I found that apparently this amount was to be payable to the City of Hamilton who were to enter into a deal with the Department to buy a property of about twenty-seven acres at the borders of Hamilton, I think, and that Hamilton wanted it for park purposes. But the Department has nothing on file to show that they own anything covering this \$50,000 or the discharge of any liability that they might have had or that the deal between the Department and the City of Hamilton and the Hamilton Sand and Gravel Co. was ever completed.

HON. MR. PRICE: What did they need that land for? Can you explain whether that was what it was needed for?

A.—I think there is a blueprint that one of the Department officials would have which would show clearly where it is. The only information he could give me at the time was that there was a small part of land, small portion of land, probably two-thirds of an acre, was used for the right-of-way placing a bar on it for something of that name and it was only after considerable search of the files that I found that the history of the transaction was that it was to

cover purchase of about twenty-seven acres and that this is a park immediately, or was to be a park immediately on leaving Hamilton. I think the plan would show that better than I would describe it.

MR. FISHER: Where did the money go to?

A.—This cheque was payable to the Treasurer of the City of Hamilton and the Hamilton Sand & Gravel Co., Ltd.

Q.—Couldn't be much secrecy about that.

A.—I will read you now—On June 15th, 1923, a cheque for \$50,000 was issued payable to the Treasurer of the City of Hamilton and the Hamilton Sand & Gravel Co., Limited. I found that the voucher covering this cheque submitted to the Audit Department in 1923 was not accepted. The cheque doesn't give any further information as to this purchase than the words "voucher number 2012,"—that is voucher number 2012—gives the information, purchase of land for rights-of-way and the notation, "cheque taken by the Department solicitor." The cheque is number 30231 on the Bank of Montreal and bears the following endorsements:—W. H. Davis, Treasurer, City of Hamilton; Hamilton Sand & Gravel Co., W. Kerr, Secretary; Kerr Thompson and MacFarlane, per Frances E. Drope. The cheque was cleared through the bank, July 9th, 1923. On inquiring from C. H. Anderson, who is in charge of land matters, as to what property was covered by the cheque and as to whether the Department had title to the property, he informed me that the Department knew little or nothing about the transaction other than the information contained in a copy of letter from Hon. F. C. Biggs to Thomas J. Jutten, Mayor of Hamilton, under date of March 9th, 1923. Mr. Anderson said the Department had taken from the company a piece of land of approximately two-thirds of an acre which he set out on a blueprint of the Hamilton entrance which he furnished me. The letter of the Hon. F. C. Biggs intimates that the Department was joining with the City of Hamilton in the purchase of the holding of the Hamilton Sand & Gravel Co. for the sum of \$175,000 and that the Department had intimated intention of contributing \$35,000 leaving the cost to the city, \$140,000. This latter apparently increased the Department's offer to \$50,000. I have referred then to some correspondence; I have not been able to locate any other correspondence. The Department has nothing on file to show the transaction was completed or if completed upon what terms and nothing on file to show what valuation was placed on the limited area taken for right-of-way or what valuation was placed on the acreage desired by the City of Hamilton for park purposes. There is absolutely nothing on file to show what damage if any was done to the property by reason of the right-of-way further than a statement in Col. Biggs' letter of March 6th, 1923, that the company had filed a claim against the Department, \$51,674.50 for land taken and damage—

HON. MR. PRICE: What is there that you say as an auditor, what is wrong in that?

A.—What I object to is that I cannot find what the Department got for that expenditure, or that they got anything more than two-thirds of an acre, or that if there had been a claim against the Department by the Sand & Gravel Co. there is no evidence that that was an issuing claim or that it was realized. The Department has nothing to show that the deal was ever carried out. I don't think that I notice anything irregular about the signing of the cheque—

Q.—That \$50,000 cheque, what was the date of it?

A.—Cheque was drawn—

Q.—I think you said June 23rd?

A.—June—23.

Q.—Making inquiries in the Department about that were you able to find title deeds for the property?

A.—No, I could not find any evidence of any title deeds.

Q.—Did you ask the Deputy Minister there?

A.—No, I didn't go personally to the Deputy Minister.

Q.—Who has charge of titles deed?

A.—Mr. C. H. Anderson has charge of valuations in that department of the Highways. I went to that department and to the legal department; I could not get any information.

MR. FISHER: Did you ask the City of Hamilton about that?

A.—No, I did not personally. I reported on that as an expenditure which I could not pass upon satisfactorily and that the Audit Department had refused to pass upon it.

HON. MR. BIGGS: In this case, Mr. Walker, it is quite evident that the \$50,000 in total was received by the City and turned over by them in payment on the property. The endorsements on the cheque would show that?

A.—It is evident it was endorsed by Hamilton to the company.

Q.—And then the company endorsed?

A.—Endorsed it over to a firm of solicitors.

Q.—Yes?

A.—But there is no evidence that the company—

HON. MR. PRICE: Where did it go; it was endorsed first by the City of Hamilton to the Hamilton Sand & Gravel Co. and then it was made jointly wasn't it?

A.—It was made jointly.

Q.—To the City of Hamilton and the Hamilton Sand & Gravel Co.?

A.—Yes. Under date of June 13th, 1923, cheque was drawn to the order of the Treasurer, City of Hamilton and the Hamilton Sand & Gravel Co., Limited. The cheque was endorsed. This is the cheque.

HON. MR. PRICE: I propose to produce this. Cheque from the Department, it was drawn to the Treasurer of the City of Hamilton and Hamilton Sand & Gravel Co., \$50,000, dated June 13th, 1923, signed by Mr. McLean, countersigned by Mr. Scott. It was endorsed by W. H. Davis, Treasurer, City of Hamilton, apparently over to the Hamilton Sand & Gravel Co., Limited, Kerr, Secretary-Treasurer, and then further endorsed to Kerr, Thompson and MacFarlane and marked for deposit in the Bank of Montreal, but apparently it is stamped July 9th, 1923?

A.—July 6th, I have the note here.

Q.—Yes, it went through July 7th, July 9th there is the stamp of the Bank of Montreal, so although the cheque was issued June 13th apparently it didn't get through there—there is the Bank of Montreal stamp on July 9th. Well, just from what you said there it looked as if there was an increase of price for this land?

A.—It was land that the City of Hamilton and the Highways Department apparently wanted for an entrance to the Highway to the City of Hamilton—yes, that was one of the objections. The Department was to contribute \$35,000 and it was raised to \$50,000, and there is no evidence as to what part the City of Hamilton finally played in the completion of the transaction, whether they got the \$15,000 or the Sand & Gravel Co. There is no reason shown anywhere why the \$35,000 was run up to \$50,000.

Q.—Yes, the first talk was that the Province was to give \$35,000 and then

eventually the Province, after, apparently without anything on the record there showing, gave \$50,000?

A.—Then I came on some further correspondence showing that about that date the solicitor understood that the company, the Sand & Gravel Co., would accept the sum of \$142,500 and this letter which was attached to copy of the letter which was attached to the cheque said the company wanted the sum of \$175,000. There is only a difference of three days between the two letters. The solicitor's letter is dated March 6th and the letter of the Minister, Mr. Biggs, March 9th.

The solicitor says that in completing negotiations with the Hamilton Sand & Gravel Co. it has developed that this company will accept the sum of \$142,500 for the entire property.

MR. GRAVES: And that was sent in three days before the letter of Mr. Biggs?

A.—Three days before the letter of Mr. Biggs.

Q.—And the offer then was increased apparently three days after?

A.—Three days afterwards.

Q.—By the Minister?

A.—Yes.

Q.—At least by the letter! So by his letter they paid \$175,000?

A.—Yes, \$175,000.

Q.—And increased their offer from?

A.—From \$35,000 to \$50,000.

HON. MR. BIGGS: I think there is no difficulty to clear this matter up if you want to go into calling a series of witnesses. I am not wishing to make exception, but there was a meeting held in Hamilton between representatives of the City, the owner of the property, and the Highways Department where negotiations were carried on, and they were carried on between the three parties. We could easily get all this evidence if we wish to call in all these witnesses—and it was supposed the property could be bought for this money and that was the idea, but it developed it could not be bought for that money.

HON. MR. PRICE: Well, the solicitor says it could.

HON. MR. BIGGS: Well, I don't care what the solicitor said. We can bring any of these witnesses. We will bring Mr. Kerr and the City Clerk and these men if it is necessary to get them.

HON. MR. PRICE: Well, we will first get the report. I think the facts can easily be brought out. It is something Mr. Walker noticed and is bringing to the attention of the Committee.

WITNESS: Then there is another cheque issued which I noted because the signatures were different and in following this matter up and in asking what evidence the Department had as to the property I was informed that they knew nothing of it. This was a cheque issued under date of September 30th, 1920, for \$20,900 to Cleaver & Cleaver. Mr. Anderson told me that the Department—

Q.—Who was Mr. Anderson?

A.—C. H. Anderson, he is valuator. I think that is his official title. He has charge of all property bought, and the information I finally got was that the property bought was twenty-two acres and that four acres had been returned—

Q.—Now from whom was the property bought?

A.—The cheque was issued to Cleaver & Cleaver, solicitors, apparently a firm of solicitors.

Q.—Who were they representing?

A.—They were representing Mr. A. Bray.

Q.—And how many acres was purchased for that?

A.—Twenty-two acres.

Q.—Well just go on then and explain what you think should be brought out?

A.—On September 13th, 1920, the cheque was drawn—I am wrong about Cleaver & Cleaver; that was an option on the same transfer; the cheque was to the order of A. Bray, for \$20,900, marked "payment in full for property." The cheque attracted my attention because it was signed by L. W. Burwash for accountant and countersigned, F. C. Biggs. The memorandum is on file showing the cheque was issued during the absence of the accountant for lunch and quite out of the ordinary procedure in its signatures, was issued without the usual requisition setting out details in regard to the issue of the cheque and the purpose of the cheque.

This cheque is number 73494 on the Canadian Bank of Commerce and the cheque was endorsed by Alfred Bray, to Cleaver & Cleaver and deposited to their credit and cleared October 20th, 1920.

Under the same date as the issue of this cheque, September 30th, 1920, two other cheques had been filled out to the order of A. Bray but not signed and marked cancelled, 73490 for \$10,000 partial payment on property and 73493 for \$10,000 payment in full for property.

Prior to the issue of this cheque for \$20,900, Cleaver & Cleaver received \$100 on account of this property, but this item does not appear in the 1920 Public Accounts, not being reported until 1921. At the time of writing that I didn't know that Cleaver & Cleaver or Bray had received a second cheque for \$100, that Cleaver & Cleaver had set up that the first \$100 of option was not to apply on account of the purchase. Mr. Anderson, the Department's valuator, does not agree with that. Under his contention, Cleaver & Cleaver have been paid \$100 too much.

The property in question appears to cover an area of twenty-two acres. Without looking into the transaction I requested information as to evidence of ownership on the part of the Department. I was informed that the Department did not appear to have title. Everyone I spoke to appeared to have very vague impressions on this subject but it subsequently transpired that the twenty-two acres had this history. Four acres were retained by the Department for right-of-way and eighteen acres traded to W. D. Flatt for a consideration of cash, \$3,000 and the transfer of 4.56 acres required for road purposes. The property acquired is valued by the Department's officials at \$1,000 per acre on the basis of purchase of adjoining property. Quoting from the figures supplied by C. H. Anderson of the Department it would appear that the Department acquired in cash and land, \$7,560 and disposed of property costing \$17,182 resulting in an immediate loss to the Department of \$9,622 on the transaction.

HON. MR. BIGGS: Mr. Chairman, in this connection, my name having appeared on that cheque I have summoned Mr. Flatt or asked the Committee to summon Mr. Flatt and Bray in this connection and I also just want to make a statement in regard to it, the option was expiring—I am not particular whether I make it now or not.

THE CHAIRMAN: Well, as it is almost six o'clock, perhaps—

HON. MR. BIGGS: It is a matter that can be readily cleared up.

HON. MR. PRICE: We will have witnesses coming from the Department with maps.

WITNESS: I wanted to have an opportunity of mentioning contracts.

HON. MR. PRICE: You can go on after adjournment.

HON. MR. BIGGS: Just about two minutes before you adjourn; in connection with the option on the Bray property, the option was taken, the option was setting out the terms and length of the option, for which \$100 was paid in connection with the entrance scheme into Hamilton. This scheme was gone into by Mr. McLean and myself before the option was obtained with what we thought good prospects of getting a satisfactory solution for the entrance into Hamilton for the Toronto, Hamilton Highway and other two highways and connecting road eventually leading to that city. While the option was increased, surveyors were sent in and the matter finally solved, taken up with the City of Hamilton, and I was informed by the Secretary of the Department on this particular day that this option was expiring, as I remember this. At that time I didn't know the other two cheques had been written, but I told him we could not afford to let that option expire as the agreement with Hamilton had been arranged and the Department would be in a position of having to buy that land practically at any price that was set up on it, or arbitration, or expropriation and then arbitration. As I asked Parker to have a cheque prepared—I think it was Mr. Parker, he was secretary of the Department—which he did. I think it was on a Friday afternoon—on a Thursday or Friday; the calendar will show. I haven't gone into the details but I was going home and I was awfully anxious as this entrance scheme in Hamilton solved a difficulty that had stood for a long, long time in connection with the entrance and was overcoming a difficulty in connection with the entrance of two other roads that I was particularly desirous should be fall through, or we should not be stung with the Bray property. I asked him to bring a cheque prepared and at the time it was prepared he could only find one signing officer in the Department. I had my car. I was going home, and to facilitate matters and see that it didn't expire, I signed the cheque myself, I signed the cheque in the absence of Mr. McLean. Now that is the situation. I took the cheque in my possession, called at Cleaver and Cleaver's office in Burlington and there delivered it to them and you will see it has gone through regularly for the property. I never met Bray in my life and I couldn't tell you now who took the option.

HON. MR. PRICE: This was sold to Mr. Flatt.

MR. BRIGGS: Later on the property was cut in two, there was a distinct severance made right through the entire property and not exactly square through it either, causing a complete severance from one end to the other. The two strips that were left on either side, if my memory serves me right, were exchanged with Mr. Flatt for a piece of property between bridges one and two, bridge one and the railway bridge. As to the areas of these, I don't know. I have summoned Mr. Flatt because Mr. Anderson put a valuation on this property he got from Mr. Flatt. That is his opinion which we value highly, but it is not necessarily final. In connection with this, he exchanged property and paid cash consideration.

The Committee then adjourned until 8.30 p.m. that night.

PUBLIC ACCOUNTS COMMITTEE

Parliament Buildings, Toronto,
8th April, 1925, 8.30 p.m.

HON. MR. RANEY: Before you proceed with your programme I would like to enquire whether Mr. McBrien came before the Committee at any time to-day to tender any evidence to substantiate his charges made against me on the floor of the House.

THE CHAIRMAN: Mr. McBrien was here. I do not know where he is now.

MR. RANEY: I am raising the point now as I want to say I am going to raise the question on the floor of the House to-morrow.

THE CHAIRMAN: Perhaps we had better send for Mr. McBrien.

HON. MR. PRICE: Did Mr. McBrien make any specific charge?

HON. MR. RANEY: I so understood.

HON. MR. PRICE: I thought he asked a question.

HON. MR. RANEY: A question may be asked to convey a most damaging imputation and that is what was done. I want him to say he did not convey that imputation.

THE CHAIRMAN: Mr. McBrien was here all afternoon.

HON. MR. RANEY: I shall come down later in the evening, if I may, and perhaps he will be here and renew the discussion of the matter.

THE CHAIRMAN: I do not know that this is the proper place for discussion.

HON. MR. RANEY: Perhaps discussion is not the proper word, but it was in the form of a statement to the witness. I am not purposing allowing this matter to rest or allow the Committee to adjourn without it being disposed of, either by him withdrawing the imputation or supporting it by evidence. It is no small thing for a public man to have an imputation against him, that he had been a conspirator in connection with a graft of \$90,000.

THE CHAIRMAN: I do not think this is the proper place. I understand the usual procedure is to let him have notice of it.

HON. MR. RANEY: I shall come before the Committee again.

THE CHAIRMAN: Mr. McBrien intimated he would come back.

HON. MR. RANEY: He has to stay with it or withdraw it.

HON. MR. PRICE (to Mr. Walker):

Q.—Will you tell us what further you have as regards the information you were giving when the Committee adjourned?

MR. WALKER: The Department of Public Highways had considerable revenue coming in from counties, cities or suburban areas and from the Dominion Government amounting to \$12,624,996 up to the end of the fiscal year, October 31st, 1924.

Q.—Commencing when?

A.—From the outset commencing in 1917, where I commenced the audit. I endeavoured to satisfy myself that the revenue was properly accounted for, and I found some difficulty in being sure that the assessments against some of the townships, cities and counties were proper assessments. In some cases I found, from the construction records, that certain charges for materials were made without crediting. The explanation for that was that the materials were left on the job and were not used on the contract, but in working on that I found a considerable discrepancy, particularly in the County of Wentworth, between the amount of construction cost and the amount at which the assess-

ment to that county was made. The statement prepared by the secretary was considerably out of kilter with that in the County Department.

Q.—Secretary of the Highways?

A.—Yes, which was considerable out of kilter with that in the County Department. I found a considerable difference in the County of Wentworth, amounting to \$560,000.00 of construction costs. On making enquiries I found that the County of Wentworth had not been assessed for their share of construction of the Hamilton entrance and that the balance, which at that date had not been applied against the County of Wentworth, did not include a charge of \$107,533.45, being twenty per cent. of the cost of the Hamilton purchase. In checking this up with the Accounting Department, I was informed that the charge had not been made, that they had been instructed to pass it along from 1921 to 1922 and from 1922 to 1923 and that the assessment had not been made. On raising the point I was shown a statement creating the assessment to the County of Wentworth, increasing the amount by \$42,553.45. This still did not seem to agree with the totals of the construction costs and I was informed that they were excluding from these costs the share of the Hamilton purchase paid by the City of Hamilton. On raising this point and asking that it be brought to the attention of the Deputy Minister, Mr. Squire, a further assessment was levied and this time went out to the County of Wentworth increasing the assessment by \$107,535.45. This assessment has not been paid as yet. The figures are blurred here; it should be \$107,553.45.

Q.—What is the explanation for making the County of Wentworth charge and not charging it up?

A.—I was shown a copy of a memorandum, merely in pencil, instructing the Accounting Department to leave that charge out and it was left out each year, and as a matter of fact was not made until I raised the point. I have the memorandum here which the accountant addressed to me.

“As requested, we are attaching copy of memo. forwarded to Mr. Squire, also statement of amount due from the County of Wentworth, including Hamilton entrance bridges.

“These bridges are the dividing line between the Townships of East and West Flamboro. In 1920 \$19,340.82 was spent, in 1921 \$486,741.33 was spent. This amount was divided equally between the Townships of East and West Flamboro. These amounts were included in the county statement, but before this statement was forwarded to the county, Mr. McLean, the Deputy Minister, gave instructions to transfer these charges to 1922. The statement was corrected accordingly and forwarded to the county. In 1922 \$32,685.09 was spent completing the bridges. The total amount was again deducted from 1922 statement and, as explained in the memo. to Mr. Squire, was not included in the statement of 1923.”

Q.—Make that clear. On whose instructions were these charges against the County of Wentworth excluded from the bill?

A.—The memo. states on the instructions of Mr. McLean, Deputy Minister. It was excluded from the statement rendered in 1921, that he gave instructions to carry it over till 1922, and the memo. states it was omitted accordingly and forwarded to the county and was again deducted from the 1922 statement and sent in 1923, and, as explained in the memo. to Mr. Squire, was not included in the statement of 1923.

Q.—Have you audited the interest charges for three or four years?

A.—In all charges against counties and other suburban areas the element of interest never entered into the calculation. Apparently the Act does not

specify interest, but the Department never made a charge. Some of the municipalities were quite delayed in their payments, some, I think, for three and four years, and never included interest.

HON. MR. BIGGS: Might I ask here, Mr. Walker, at what stage the charge is made to the County of Wentworth? In this case on what statute is the charge made?

A.—I did not go into the technicalities of that. The Department, on having the fact brought to their attention, at once made the assessment. I presume they are making it in the regular way.

Q.—They will know more about that later when they try to collect. I may say, for the information of the Committee, that the Hamilton entrance purchase was not constructed under the Provincial Highway Act, but constructed under the Toronto-Hamilton Highway Act and the City of Hamilton was responsible for the entrance into Hamilton under the Toronto and Hamilton Highway Act and this Department has no power or right to assess the County of Wentworth with \$107,000 in connection with the purchase whatever. It would be very wise for the Government to look into this question because they are not working under the Provincial Highway Act.

HON. MR. PRICE: Your contention is, it should be proper to collect from the Highway?

HON. MR. BIGGS: The Toronto and Hamilton Highway was built under special legislation, whereby each municipality would pay its proportion, which they did. The construction into Hamilton was done by Hamilton. The Toronto and Hamilton Highway was assessed by statute for their share which they paid. The City of Hamilton were assessed their share which they paid, and the entrance was separately taken up with the City.

HON. MR. PRICE: We have Mr. Biggs' viewpoint that the County of Wentworth is not responsible for any of that. Mr. Walker has drawn it to the attention of the Department. Have the Highways Department got their money yet?

HON. MR. BIGGS: In line with the bills to the County of Wentworth, I would like to ask if you found in the last assessment that went out to the county for highway construction some bill for six or eight thousand for widening and fencing in connection with the highway and later on it was cancelled—after sending the bill out?

MR. WALKER: Was that the Jerseyville Road?

HON. MR. BIGGS: No, it was widening and fencing.

MR. WALKER: I did come across a few which they cancelled. It appeared regular.

MR. BIGGS: How did the bill get out? Was it regular or was it the sharpness of the county that it saved them that money?

MR. WALKER: I also found a dispute arising between the City of Hamilton and Department of Highways under date of December 5th, 1924. The City of Hamilton was billed for \$695,486, 1922. This covered charges to suburban area for the years 1921, 1922 and 1923. I think the assessments for 1921 and 1922 were very much in arrears and 1923 considerable in arrears. No charge was made for interest and, in fact, the Highways Act does not appear to provide for interest.

HON. MR. BIGGS: Would it have been regular to charge interest which was not provided for?

HON. MR. PRICE: There should, the proper payment.

MR. WALKER: The collection should have been made. It would not be fair to other municipalities.

HON. MR. BIGGS: It would be on the Province and not on the municipalities.

HON. MR. PRICE: We might protect the Province once in a while.

THE CHAIRMAN: It shows it is not fair to the other municipalities to let them pay and let Wentworth off.

HON. MR. BIGGS: It was Hamilton.

MR. WALKER: In addition to the above assessment there is an outstanding charge against Hamilton for work done on the filter beds, via Van Wagner Road, amounting to \$1,490.06. This charge, at the request of W. L. McFaul, city engineer, was deleted from bill September 20th, 1924, but without prejudice to the Department's claim. Hamilton officials base their claim for exemption from this charge on a letter written by the Honourable F. C. Biggs, under date of April 25th, 1923. That has not been paid. Quite recently—I think Mr. Squires can explain all that. This memo. was written on the 5th February last. Quite recently the City of Hamilton remitted to the Department the sum of \$625,000, having deducted from the account the sum of \$70,486.22, the assessment on account of Hamilton entrance construction, and the charge for Van Wagner Road construction, which latter charge was included in former billing. The Hamilton officials apparently base their claim for exemption from assessment on account construction Hamilton Bridge entrance on an agreement between the city and the Department, signed by the late Minister. I am not attempting to construe the intent of the agreement, but to point out that the Department was evidently of the opinion that the city was liable for its share of construction costs, and that the amount paid by Hamilton towards costs of bridges, \$325,000.00, did not in any way cover share of construction costs of entrance.

HON. MR. BIGGS: \$365—wasn't it?

MR. WALKER: \$40,000 for land. The Department, therefore, has charge outstanding of \$70,486.23 against Hamilton for entrance cost and \$1,490.06 re Van Wagner's Road costs, and I understand discussions are now progressing between the city and the Department. I have already referred to the question of interest.

HON. MR. BIGGS: I wish to ask one question. Have you searched yourself or have you any knowledge of the Department of Highways searching in the Registry Office in Hamilton to find out if the Van Wagner Road was registered as a Provincial Highway or a Provincial suburban highway, as this would determine the whole matter as to who pays the costs.

MR. WALKER: I do not assume to express an opinion as to whether the charge was enforceable or not. The charge was on the books and was not collected.

I want to take up the question of contracts. I had a very considerable amount of difficulty in satisfying myself that the Department was paying on contracts the amounts they should. The contract record was very poorly laid out, and during the years 1920, 1921 and 1922 was so void of information that it was very difficult to prove to myself that the services approved by the engineers were in accordance with the tender and the contract, and in some cases I found that ground was being covered that was not even mentioned in the tender and contract and that the final cost was greatly exceeding the amount stated in the tender and in the contract, and I was for a long time at a loss to understand whether I could safely go on the engineers' certificates or just what was the

trouble. I came to the conclusion, finally, that the engineers' certificates were very carefully drawn out and very fully explained their part of the work, but that these extra costs were due to what are called extensions in the Department and that these extensions or orders for additional mileage and for additional work sometimes brought the contract up to a final cost twice or three times even that of the original tender and the contract.

I considered it necessary to report on several contracts, as I would not like at the moment to say that the Department got fair value for the money spent. I felt I should report at least some of these contracts. I have mentioned nine here, with some data.

HON. MR. PRICE: Have you drawn these to the attention of the Department? Have you a copy of your presentation?

A.—I did not give the Department any copy of the report. In getting the information I had to ask questions of practically everybody in the place, including the engineers, and I think they knew what my difficulties were and what I was getting at. I did not get any information that upset any opinion that I had formed and the only opinions that I had formed were that the system setting out specifications and calling for bids by tender and granting of contracts were entirely upset by these instances.

HON. MR. PRICE: Let us get it this way: that a contract was made for a certain price, tenders were called and someone got the contract for a certain price and then the expense of building the road or extras, we will say, increased the price so materially you could hardly follow the contract.

HON. MR. BIGGS: The total cost.

MR. WALKER: Found it very hard to follow the total cost.

HON. MR. PRICE: The total cost of the particular portion of the road was so much on account of extras and extension of mileage and so on you could hardly know whether you were on the right contract or not?

MR. WALKER: That is a fact.

MR. FISHER: Has that been stopped?

HON. MR. PRICE: I hope so.

MR. FISHER: Did you enquire about some contracts?

HON. MR. PRICE: Those which are very outstanding.

MR. WALKER: They tell me no extensions are granted to-day for any more than a very few dollars.

HON. MR. PRICE: Take them one at a time. Do not give too much detail.

MR. WALKER: The first one I mentioned here, because it is the one I first started at and which gave me the most difficulty, was one at Dundas Street, on the Toronto-Hamilton Highway. The contract was awarded on a tender of \$187,994.00 for 13.2 miles. The original contract was for in the neighbourhood of $9\frac{1}{2}$ miles and was extended to cover 13.2 miles. The final cost ran to \$601,877.39. The explanation did not altogether cover this and from the information I was able to obtain from the engineer's data, the contract actually exceeded the tender and all extensions by the sum of \$180,000. And this was not due to any increase in the price over the tender, but for extra work that was not set out in the tender and contract and I found out in connection with that contract that it was meant first to cover a water-bound macadam course and after that that a course was laid on a second water-bound macadam base and that on the extension of approximately four miles, the price for macadam was raised from eighty-nine cents to a dollar and a half. That was not laid down in the tender or the contract, but the reason given was that the contractor figures that they could not haul the stone, that the cost of hauling stone would

be considerably greater because of the extra length of the haulage and that the road they had to haul over was heavier. When this second macadam course was laid over the first the nine and one-half miles, was at the old rate of eighty-nine cents and the four miles again at \$1.50. I would not be satisfied that that should be a fair charge, because the hauling for the second course would be over roads with a better surface. After that contract was finished I found that new tenders were called for on the same stretch of road.

HON. MR. PRICE: Who was the first contractor?

A.—Dufferin Construction Company.

Q.—What was the price they got the first contract at?

A.—Their tender was \$187,994.

Q.—What price per yard was that; I think you said 87 cents?

A.—That was 89 cents.

Q.—And for a further extension there was an increased price?

A.—Yes.

MR. GRAVES: Was that a continuance?

HON. MR. PRICE: That was the first contract.

MR. GRAVES: That was a continuance.

MR. WALKER: On December 23rd, 1921, an extension was granted to the contractors for an additional four miles from the easterly limits of Nelson Township to the southerly end of Sixteen Mile Creek, approximately four miles. It is to be noted approval is given for the increased price for the water-bound macadam from 89 cents, which was the price in the first contract, to \$1.50, and the reason being that there was a longer haul and over a heavier road. This work, amounting to \$70,440, was done and new tenders were not called, apparently because the time involved in advertising for tenders would run the work in too late for the work to be done that year, and damage to the surface of the road might result.

COLONEL CURRIE: Who awarded these contracts and the extension?

HON. MR. PRICE: On whose recommendation?

COLONEL CURRIE: Somebody must have O.K'd the contract.

MR. WALKER: The chief engineer, probably the Deputy Minister and the Minister would officially approve of it. I think that is correct in nearly all these cases of extension.

HON. MR. PRICE: It would be first recommended by the engineer?

A.—Yes. New tenders were not called for.

MR. GRAVES: I think it is quite important to know whether the four miles was adjacent to the nine miles?

A.—Yes.

Q.—Their excuse was that they had to haul farther and so on?

A.—Yes.

Q.—It was a continuation of the 9½ miles?

A.—Yes.

HON. MR. BIGGS: I might say the stone quarry was about the west end of the nine miles, approximately the west end.

MR. GRAVES: The remaining portion of the nine miles would be a continuation.

MR. WALKER: That is right.

HON. MR. BIGGS: From the east end of the nine miles the four miles extended.

MR. GRAVES: After you got the nine miles finished you went on four miles.

HON. MR. BIGGS: Yes.

THE CHAIRMAN: Therefore over the road you had already made.

HON. MR. PRICE: Mr. Graves wants to get the facts.

Q.—When you mention a certain contract, tell where the road is.

MR. WALKER: This contract appears to have started at the junction of the Guelph Road and the Dundas Highway. That is called Clappison's Corners and would come easterly 13.2 miles to Sixteen Mile Creek bridge.

HON. MR. BIGGS: Straight north of Oakville.

MR. WALKER: Yes, straight north of Oakville. That is where the Guelph road turns down to go to Hamilton.

HON. MR. BIGGS: The place in question, the stone quarry is known as Nelson Cut.

MR. WALKER: In February, 1922, an extension was granted for a second course over the whole area of 13.2 miles, the price to be the same as for the first course, that is eighty-nine cents for the $9\frac{1}{2}$ miles, but \$1.50 for the four miles per square yard. That was over the same 13.2 miles.

MR. GRAVES: The hauling over that would be considerably cheaper.

A.—That was the conclusion I came to.

Q.—You were hauling over an improved road?

A.—Yes.

HON. MR. PRICE: How much more did it cost per yard?

A.—The estimate was \$70,440.

HON. MR. BIGGS: Seventy-one cents a square foot.

MR. WALKER: Presumably it would be that and that meant when the second four miles was granted they took into consideration the extension and the cost paid to the contractors over the contract price appears to have amounted to \$88,207.96. It is now to be noted an entirely new surface was placed over the macadam covered under contract 302 and that tenders were called for on six miles of asphalt from Clappison's Corners. That would be the junction of the Guelph Road and would come easterly six miles. The contract was awarded to the Dufferin Construction Company and on the 7.1 miles, that would be easterly from that six miles to Sixteen Mile Creek, a contract was awarded to the Dufferin Construction on a tender of \$251,636.81. These contracts were completed and neither of them exceeded the tenders by very much. The first for the six miles exceeded the tender by \$15,386 and the second by about \$25,000. The total cost therefore to the contractor was \$1,076,579.15.

HON. MR. PRICE: How many miles?

A.—13.2 miles.

Q.—Mr. Walker, you are saying that this contract—there is something about it that you do not quite approve of. Can you tell the Chairman, generally speaking, what it is you complain of, getting down to detail.

A.—The points I could not satisfy myself on, apart from the question of the extensions, was the raising of the price from eighty-nine cents to \$1.50. It would seem to me any contractor with his organization on the job, with his equipment there, should make a lower rate for the additional four miles.

Q.—From eighty-nine cents to \$1.50 the price was pretty nearly doubled?

A.—Yes, sir.

Q.—That is what you object to?

A.—Yes.

Q.—Was any tender called for when the price was double?

A.—No tender.

Q.—No tender called for?

A.—No.

Q.—The Committee want to get something along that line?

A.—There is no tender called for.

COLONEL CURRIE: Did you take that up with the engineer who approved the contract?

A.—I took that up with Mr. M. R. Smith, who is the divisional engineer, and under whose signature I found a letter or two and he recited the reasons that were stated at that time to the effect that the lateness of the season made it inadvisable in calling for new tenders. But the objections I had to it was the increase in the price as I thought it should be decreased rather than increased.

Q.—When there was a good road to draw material over?

A.—Yes.

HON. MR. BIGGS: They had some distance to draw the stone from the quarry. There are other things that enter into it.

HON. MR. PRICE: That is one thing.

HON. MR. BIGGS: Did R. M. Smith explain that the surfacing of the last four miles in getting this stone, that there were restrictions put on the contractor as to the width of the cut he was to leave on the Nelson Hill, and provided he was to work on the rock cut and all these things in connection with getting the stone. He could not go in and do what he wanted to and he had to leave the cut in a certain form. While making the Nelson cut they ran into heavy springs, a situation I would imagine which would affect the whole town of Burlington. The contractor was nailed down to a certain quarry and in the last four miles the quality of the material was good and the acquiring of it was a more expensive proposition.

MR. WALKER: The point I raise in this contract is that this extension, in my mind, destroyed the competitive system of tenders on contract.

HON. MR. PRICE: Your point, in other words, if you let an original contract by tender for a certain number of miles and then extend the contract without tender you are practically killing the competitive system?

A.—Yes. I formed that opinion without asking any information from anybody and it is confirmed by the fact that what statements I did get are positively to the effect that they do not extend any contract. They may give a little additional work, but they will not extend over \$1,000. I have taken all the data which has been available and I have satisfied myself that is the case. The cost of the 13.2 miles for the contract alone per mile was \$81,560.

MR. GRAVES: There is always a risk because any man who is in the contracting business, no matter what it is, he can do what he likes with extras and that is one reason why extras should be taken care of under a separate contract. Wherever there was an extension the average cost per mile was greater than the contract called for on the original work done. If a man can make his original contract he should charge on the same basis for the extras.

HON. MR. BIGGS: Did you make any estimate or ask Mr. Smith to help you with regard to preparing the statement of the cost of the Nelson cut, a very heavy cut, with several hundred thousand cubic yards of rock within the 13.2 miles. Did you base your price making allowance for stone taken out of the quarry and hauled along for that distance?

A.—I asked other engineers who knew of the situation, what in their opinion would have been a fair cost per mile to build 13.2 miles and one answer was \$50,000 a mile and the other \$55,000.

HON. MR. PRICE: What did it cost?

A.—\$81,560 per mile for the contractor alone.

HON. MR. BIGGS: Did you make any effort to segregate the cost of the stone on the job or did you take the full cost of the Nelson cut and add it to the cost of the road?

A.—I took it as I found it. I did not even go over the job.

Q.—You have taken the engineer's advice in regard to taking a particular price for the road, why didn't you take the cost of quarrying the stone that went into the road. If they had been shipped by cars down at Tansley, or Cooksville, you would have taken off the cost of the stone.

MR. HILLMER: Did not the same conditions, the ex-Minister is speaking about, appear when the contract was made at eighty-nine cents, as existed when the extension was given for twice that amount.

HON. MR. BIGGS: Yes.

MR. HILLMER: These same conditions were there.

THE CHAIRMAN: They were local conditions.

MR. WALKER: My reason was if the engineers laid out their specifications properly, and the contractor took into consideration all extras and all expenses, that the contract price having exceeded the tenders by \$180,000, either the engineers did not lay the work out properly and did not understand the base of the road on the part built or the contractor was overcharging on the work. There was a drop in the macadam course of six inches.

HON. MR. PRICE: You say the road dropped six inches?

A.—Yes, there is that much in places. After the macadam course was on part of the road on one side, for some miles, had dropped six inches.

Q.—Did that necessitate the re-surfacing of it or what was done to overcome that?

A.—The engineers reason for the resurfacing was that there was a certain amount of solid rock still remaining in the Nelson cut, and they decided to put in a course on top. In one letter it was mentioned as being a drop of six inches.

Q.—Who was responsible for that condition? Did they charge that back to the contractor?

A.—No, they did not.

Q.—A drop of six inches in a road, do you think that should be charged back to the contractor?

A.—I would think either the engineers would have to admit they were wrong in their specification, or the contractor had not lived up to the specification.

Q.—There was nothing taken off the contractor?

A.—No.

Q.—Who was the engineer in charge of that? Was it Smith?

A.—I think Mr. R. M. Smith, although Mr. Greig's name appeared. Mr. Greig was a resident engineer and Smith is divisional engineer, and Mr. Hogarth is chief engineer.

Q.—What engineer laid this out?

A.—I think Mr. R. M. Smith is the man who wrote one letter explaining all this to Mr. Hogarth, the chief engineer and he wrote another letter to Mr. McLean in which most of these facts are set out and the reasons for the extension and the reasons for the extra cost per mile, which is an extension.

HON. MR. PRICE: I would like to point out to the members of the Committee there has been quite a lot of talk about the high cost of this road built by the Dufferin Construction Company. Now is a good time to ask questions. The members know about building roads probably better than I do and they might know that particular road?

Q.—Is there anything else in connection with this Dufferin Construction work that you analyzed?

A.—This particular contract?

MR. GRAVES: These contracts for extensions would of course come under the Minister of Highways irrespective of the engineer's recommendations?

A.—Yes, sir.

HON. MR. PRICE: The Minister of Highways would be responsible of course. The engineer's recommendation would not carry the contract.

HON. MR. MCCREA: What was the total length of the road?

A.—13.2 miles.

Q.—What part was by contract?

A.—Nine and a half miles. The engineers admit that is approximate.

Q.—How did the $9\frac{1}{2}$ miles compare in content with the work that was done by the contractor?

A.—As far as I can gather from the engineer's data, the amount of material and work would be about the same.

Q.—The nine miles did not contain any more than the $4\frac{1}{2}$ miles then?

A.—No, the first course and the second course went over four miles, and was on the $9\frac{1}{2}$ mile course and the asphaltic concrete one went over the whole 13.2 miles.

Q.—The biggest part of the work per mile was on the part that was not let by contract?

A.—No, all the same.

Q.—If the part that was not let by contract was only $4\frac{1}{2}$ miles—

HON. MR. BIGGS: Nine and a half, that was the mileage.

HON. MR. MCCREA: In comparing the part that was let by contract, the $9\frac{1}{2}$ miles, with the shorter distance, the volume per mile on the shorter distance would be greater than the volume per mile on the contract distance?

A.—That is right. The only point that I noticed on that was that the Dufferin Construction Company was not the lowest tenderer. The Carswell Construction Company tender was \$25,000 lower than that, but they were not awarded the contract. The contract was awarded to the Dufferin Construction Company for \$187,994, and the work was to cover culverts and macadam construction from Clappison's Corner easterly to the east limits of Nelson township. The tender of the Carswell Company was lower than that of the Dufferin Company, but was not quite clear as to the hauling situation. The specification called for tenders in regard to this particular phase. My only comment is that it is not readily apparent where the difference came in.

MR. GRAVES: In other words, so far as you could see, there is no difference in the tender?

A.—So far as I can see.

HON. MR. BIGGS: You state the Carswell tender did not include haulage?

A.—These are the comments that are made when it was awarded to the Dufferin Construction Company. It is quoted in such a manner as to leave hauling out of consideration.

HON. MR. PRICE: The Carswell tender, although practically the same price, although a little under the other, was rejected because it was irregular.

HON. MR. BIGGS: It did not include hauling.

MR. KEMP: Who made these comments about the Carswell contract?

A.—One of the engineers; at the moment I couldn't say who. The contract and tender of course could be produced. When the other two contracts were let, covering this asphaltic concrete course, the tender of Johnston Bros.—

they tendered on trap rock, and the Dufferin tender was on limestone, and trap rock, and on the basis of the Johnston Bros. tender for trap rock theirs would have been the lowest tender.

Q.—Who made these comments?

A.—One of the engineers.

Q.—Were they made to you in person?

A.—In writing.

Q.—It was noted on the tender.

MR. GRAVES: That apparently was the only excuse for awarding the tender to the Dufferin people?

A.—Yes.

Q.—The two tenders are alike?

A.—Yes.

Q.—There is a memorandum put on saying if anything came up there was a reason for changing the tender?

A.—I could not see any difference.

Q.—You could not see any reason why Johnstons should not have got it as well as Carswell?

A.—No.

HON. MR. BIGGS: It is on a different job altogether, a surfacing job.

HON. MR. PRICE: Any other comment, Mr. Walker, on that phase?

HON. MR. MCCREA: Would you say the prices were higher on the 4½ miles than on the nine miles?

A.—They were higher for the first and second, for the macadam course, first, and the second macadam course. Each course was higher on the four miles, the difference between eighty-nine cents and \$1.50 per square yard; both first and second courses.

Q.—Was the work more concentrated on the second course?

A.—The reason given it was a longer haul, and the roads were poor.

Q.—It was a longer haul on the four miles than the nine miles?

A.—Longer, it was a little longer, but it was the same kind of material. The only other comment I would make and the only other question I had in my own mind was the summing up of this statement. It seems apparent that the final cost was a much larger cost than was anticipated when the specifications were drawn up and while it is obvious that on certain traverses changes would have to be made, and the contractor would have to be reimbursed for extras, the estimate seems out of proportion altogether and the system of extending without further competition would not work out fairly to a contractor who did not occasionally get a contract with extension. A contractor who would have the means of knowing extra work would be required, and could be obtained without further competition, could underbid his competitors, who would be tendering on the specifications only. He could suffer a loss sometimes on the first section of the work and make up the loss and profit on the extension and extras. In tendering, a contractor usually would have to figure on the transportation of his equipment to the field of work, and would include in his figures these costs. Then if he received a good extension and knew he would get such an extension, he would put this cost over a greater amount of work. On the other hand, owing to the fact that he had already worked over the mileage, any further work done he should be able to do at a lower cost, owing to the fact that his equipment and organization is on the job and he should take the extension at a lower rate. The granting of extensions appears to take away the ordinary safeguards of the competitive tendering system.

MR. GRAVES: The total amount paid on this was considerably higher than the original amount on the contract?

A.—Than the original amount.

Q.—I do not mean per yard in concrete?

A.—The man who got the extension got more money.

Q.—Than the man who might have got the original contract?

HON. MR. PRICE: You started on the second contract and stopped there. What is the other?

A.—That would be on the 7.1 mile or 7.2 miles.

Q.—There was a difference there where one firm tendered on two kinds of stone, and the other firm only tendered on one?

A.—Yes. The Johnston Company tendered on trap rock and the tender was actually awarded on limestone. Taking construction on a trap rock basis, if they had tendered on limestone, it looks as though it would be lower.

Q.—Did you find any reason why Johnston Bros. did not tender for the stone?

A.—No.

HON. MR. BIGGS: Did you go over Johnston Bros. tender that particular year and find that they had other work and could not go on with this?

A.—There was no information given on the file to lead me to see why they were not accepted.

Q.—In going over the file did you find Johnston Bros. had work in other locations?

A.—I assumed when they tendered they would be ready to undertake the work.

Q.—Is it not a fact that contractors may have a dozen jobs on at the same time and some one contractor might be successful on three or four of his bids and he would not be in a position to take up more than one or two. Did you try to find out whether they were in a position to do this work?

A.—I would have expected if that had been the case that explanation would be on file.

HON. MR. PRICE: Were you getting certified cheques with these tenders?

HON. MR. BIGGS: Yes.

HON. MR. PRICE: A man is not going to take a chance of contracting and sending in a certified cheque unless he can go on with the job.

HON. MR. BIGGS: Probably if you studied the Highway Department you would see that certain contractors who bid on work do it in good faith, but I know what work Johnston Bros. had on hand that year.

HON. MR. PRICE: Was it noted on the contract they had extra work?

MR. WALKER: No.

Q.—Was it noted in the other tenders?

A.—Yes.

Q.—You noted other cases where contractors had other work and probably could not do it as he had his machinery on other jobs?

A.—I have a memo here of a contract awarded to Roger Miller & Company and they had it assigned to the Provincial Construction Company on a tender of \$119,000. The final cost ran to \$322,000, and Roger Miller & Company must have been busy somewhere else or they would not have turned down a good one like that.

Q.—Go on to the next contract?

A.—As I have started that, perhaps I had better go along with it. This was contract 613 in Ancaster, asphaltic concrete at the top of Ancaster Hill for four

miles. It was awarded to the Roger Miller Company on a tender of \$110,574.13. That was the lowest tender of ten. At their request, the contract after being completed was assigned to the Provincial Construction Company, and with extension the total cost ran up to \$320,051.45. The difference was so great I looked particularly into this. The first order or extension was for \$13,997.50.

MR. GRAVES: Have you the mileage on the original contract?

A.—The mileage was four miles.

Q.—What was the extension?

A.—This was for $2\frac{1}{2}$ miles. The contract was one over a county road, $2\frac{1}{2}$ miles from Jerseyville to the provincial highway. The surface was changed and the Department asked to have repairs made. The chief engineer reported it necessary to lay loose stone for two miles. That cost was \$13,997.50.

Q.—Per mile?

A.—For the $2\frac{1}{2}$ miles. Mr. Hogarth, the chief engineer, recommended that that be added to the contract and approved by Mr. Biggs. The next extension was for some extra work, \$46,665.80. The next one, extra work, \$2,678.94; next one for extra loose stone \$2,280.00. And the next one was an extension in the real sense, an extension for asphaltic concrete surfacing from the Ancaster Hill, 8,130 feet down the hill. The estimated cost \$45,812.00. The next one was for some loose stone \$1,924.25. The next one was for $4\frac{1}{2}$ miles in the vicinity of Ancaster and Jerseyville at an estimated cost of \$124,425. which of course was more than the original contract. That was the last extension and the total cost ran up to \$320,051.45.

Q.—What was the cost of the original contract? It ran up to \$341,000. What did it start at?

A.—At \$110,574.13 for four miles.

Q.—It started at \$110,000 and got to considerably over \$300,000?

A.—Yes.

Q.—Four miles approximately at a cost of \$110,005.74. How much work was done and what was the extension, $2\frac{1}{2}$ miles?

A.—Two and a half miles.

Q.—That did not come under the contract heading?

A.—No, that would not come in under that category. There was one extension of 8,130 feet down the hill, about a mile and a half, at an estimated cost of \$48,812.00.

Q.—A mile and a half at \$48,812?

A.—Yes.

Q.—The original contract was \$110,000?

A.—Yes.

Q.—The big extension was \$124,000?

A.—For $4\frac{1}{2}$ miles. I was not criticizing the cost per mile at all.

Q.—Who was the contractor?

A.—It was assigned to the Provincial Contracting Company.

Q.—It was Roger Miller & Company's contract?

A.—Yes.

Q.—And assigned to the Provincial Contracting Company? Who are they?

A.—The only information I could give you on that would be that they are a contracting concern. I looked them up in the phone book and I think their address is Adelaide Street. I don't know who the people are.

Q.—You are just speaking from the records and you are objecting to the methods of extending the contract?

A.—To the extension.

HON. MR. BIGGS: What about the price of the extensions, were they the same rate per yard?

A.—I thought the price per mile was all right. Then, I had a contract under observation, 132, Hamilton City to Binkley's Corners.

HON. MR. BIGGS: That is westerly towards Galt.

MR. WALKER: This was for 9,100 feet in Ancaster township. The contract was originally approved on a tender of D. O. Johnston, who was the lowest of four for \$61,008.00, or \$35,400 per mile. The Johnston contract, which was numbered 51, was almost immediately cancelled owing to some difficulty in procuring materials, and was awarded to the Warren Company on their own tender, apparently without competition of \$118,768.50. The Warren Company also immediately secured an advance of \$30,000. I do not know whether I should call it a tender.

HON. MR. PRICE: There was no tender?

A.—No.

MR. GRAVES: What was that per mile?

A.—That would be less than two miles. That would be somewhere in the neighbourhood of \$55,000 per mile.

Q.—The original one was \$35,000?

A.—The original would be about \$28,000.

MR. KEMP: If that was let to the Warren people is that a Warrenite road.

A.—Yes.

Q.—The specifications are different with the Warren people?

A.—Yes.

HON. MR. BIGGS: Did you look into the question as to the road that was to be built under the first tender of Johnstons?

A.—I think it is a different road.

Q.—They were different roads? That is away back in 1920 and you could not get the Warrenite road?

A.—The Warren Company secured an advance of \$30,000 and the final cost ran up to \$271,651, and the contract was \$118,768.

HON. MR. PRICE: For the same mileage?

A.—This was the first one I investigated and I found here extension. This is the first time I got into these extensions.

Q.—The Johnston Company tendered on this and apparently got it for \$118,768, so far as the tender was concerned?

A.—Yes.

Q.—How many tenders were there?

A.—There was no tender, the Warren people got it on their own.

Q.—I am talking about Johnston?

A.—Johnston was the lowest of four and his contract was for \$61,008.50.

MR. SINCLAIR: What kind of a road was that?

A.—I have not got the information here. I think it was macadam.

HON. MR. PRICE: Were there tenders in the first place?

A.—Yes.

Q.—There were tenders called for making how many miles of road?

A.—For 9,100 feet of road.

Q.—And how many tenders were there on this?

A.—There were four.

Q.—And the Johnston Company was the lowest tender?

A.—The lowest of four.

Q.—And the Johnston tender was \$118,600, the lowest of four tenders?

A.—The Johnston tender was \$61,008.50.

Q.—Was that for 9,100 feet?

A.—Yes.

Q.—What kind of road was that?

A.—I have not got the data. I do know it was not the same surface as the Warren people put on. I do not know what kind of road it was.

Q.—Do you mean to tell us that this was the road the Johnston people tendered for and got and it was withdrawn?

A.—The reason given was that the material could not be secured.

Q.—That is noted on the file that the material could not be secured?

A.—Yes.

MR. HILLMER: Were the tenders called for the second time for the construction of the road?

A.—No.

Q.—It was immediately given to the Warren people for \$182,000?

A.—\$118,768.00.

Q.—Was it the same construction, or do you know, or do you remember going into that?

A.—I can, perhaps, give you more information there. They were to do the surface at \$2.60 and the base at 80 cents, and scarifying at 10 cents. I have not noted the kind of road,—yes, I have, bitulithic pavement.

HON. MR. PRICE: Was that what was advertised for in the first place?

A.—No.

Q.—That is an important thing and you cannot say what the Warren Company did. It does not appear as though that tender was advertised in a regular way?

A.—I do not know.

Q.—You had better find out about that?

A.—It was apparently withdrawn and the Johnston Company did not get it, because apparently materials could not be had at the time.

Q.—What date has this contract? What year?

A.—The contract would be in 1920.

Q.—Well now, is there anything on the file that shows why the Warren Company should get the contract at \$118,600 without any competition?

A.—No, there is not anything. I went over all the papers and I could not find anything.

HON. MR. PRICE: That is your point, Mr. Hillmer. There was no advertising, the Warren Company were simply given it at \$118,600?

MR. WALKER: Yes.

Q.—And it went up to \$221,600?

A.—Yes.

HON. MR. PRICE: I think we have the facts now.

HON. MR. BIGGS: No, you have not at all.

MR. SINCLAIR: Was there any extra work done?

A.—I could find one extension covering work on the Dundas hill to the railway track at a cost of \$13,338.29. I could not get from the files any further information.

MR. GRAVES: That is, you could find that added to \$118,600 and other additions, making a total of \$231,000.00?

A.—That is, by taking these from the records.

Q.—That would be the proper price?

A.—Yes.

Q.—Instead there was \$271,650 paid to the company?

A.—The engineers told me there were all kinds of changes.

Q.—There always are when people do stuff like this?

MR. KEMP: Is it a fact the Warrenite people do no construction work, they build no other type of road except Warrenite?

MR. HILLMER: They did not tender.

MR. KEMP: They never enter tenders, because no other person could tender against them, because they had the patent right.

MR. WALKER: They took the contract at \$118,000 and it went up to over \$271,000.

HON. MR. PRICE: How long after they got the contract did they get the advance of \$30,000?

A.—Almost immediately.

MR. GRAVES: Before they started?

A.—Almost immediately they started. They may have had the equipment on the job.

HON. MR. BIGGS: Was that initial payment of money deducted from the final payments and was everything regular in that regard?

A.—Yes.

MR. GRAVES: The question is you are advancing money to a contracting firm to get on to the job?

HON. MR. BIGGS: The Warren people did not require money to get on to the job.

THE CHAIRMAN: All the more reason we should not give them money in advance.

HON. MR. PRICE: It is time that we had evidence as regards those contracts. We all know there was an extension made on the Ancaster Road at the same time, and anybody knows who is conversant with the fact.

MR. HILLMER: Mr. Walker is giving to the Committee facts as he found them.

HON. MR. BIGGS: I am not finding any fault with Mr. Walker, as he is going as far as he could. Still there are other facts and they should be brought out, and I am drawing your attention to the fact that you are not getting all of them.

THE CHAIRMAN: Half of the records are lost and the books have disappeared.

HON. MR. BIGGS: We do not require any insinuation that the books have disappeared.

THE CHAIRMAN: They have, have they not?

HON. MR. BIGGS: The books for four months.

THE CHAIRMAN: For twenty-one months there are no records, and this auditor is giving what he knows. If the records are not there and the books are not there, who is to blame?

HON. MR. BIGGS: It suits the case pretty well.

THE CHAIRMAN: Who is to blame?

HON. MR. BIGGS: I am not. I have been out of the Department some time.

HON. MR. PRICE: I think it is fair to say Mr. Biggs contends there was a mile and a half extra roadway included in this \$271,000. Is that your contention, Mr. Biggs?

HON. MR. BIGGS: Yes.

HON. MR. MCCREA: What work did the Warren people do, build the road from the bottom up?

HON. MR. BIGGS: Scarified the old roadbed by a course of stone and laid Warrenite pavement over that.

Q.—Would it be built up there?

A.—By making fills in the road where necessary.

MR. WALKER: They had some ditching to do. What I am coming at is that I can quite understand in the making of the road the engineer can assume and make estimates, and when the road is only partly built he can estimate the yardage and the work done, and as the road progresses it might exceed the engineer's estimates.

HON. MR. PRICE: Was there anything of that character in the work that was carried on?

A.—I found it very difficult to line up the engineers' certificates with the conditions in the tender. I see they charged for a macadam base and a bitu-lithic surface and that they cover a considerably greater area than was laid down in the tender. It is probable there were further extensions than I could find. They were paid for a great deal more work than was laid down in the tender or estimate.

HON. MR. MCCREA: It frequently happens where a cut is to be taken out or a fill is to be made, that the estimate before the work is done, may, when it is completed, vary considerably from what the engineer estimated it would amount to, depending on the character of the work, and the total price of the contract might vary because of the increased or diminished charges that would be naturally entailed, and in that way the original estimate might be exceeded or lessened. Was there anything of that character in connection with the work?

A.—I think there was, from talking with the engineers.

HON. MR. BIGGS: I might say in connection with the contract, there were two extensions, one from Binkley's corners towards Dundas, and one from Binkley's corners to the foot of the mountain, and the road from the City of Hamilton 9,100 feet westward, was originally twenty feet, and was of sufficient width. That accounts for the additional cost and the additional mileage, when it is also taken into consideration that that was the road leading from the City of Hamilton to London, Stratford, Kitchener and Galt, and it was eventually widened to twenty-five feet. I do not think there was anything more paid than the original price. That accounts for a lot of it. I might say that this road was built on an old road, scarified and stone was put in and the earth work had not previously been done on this road.

HON. MR. MCCREA: Why, Mr. Biggs, would tenders not be called, having regard to the whole road?

HON. MR. BIGGS: There were different elements that entered into it. It was decided first to have a concrete road twenty feet wide, and that was gone on with in good faith, and we found that it was a muddy road in the valley, and that we could not get the cement to the points where it was required, and it will be understood that it was a case of doing it quickly. If we stopped to advertise for thirty days, the work could not have been done that fall, and it may have been double what it ultimately cost. There was not any time to advertise and get the work done before the cold weather came. We were tied up for cement and could not get cement.

MR. HILLMER: It would appear to me that these conditions Mr. Biggs speaks about must have surely been considered when the decision was arrived at to build this portion of the road. Tenders were called for the construction of

the road, and if my figures are right, the contract was let for \$61,000. Without any apparent reason at all the contract was gone on with, and the job was given to another man for \$118,768.00, and finally it is found out that the total cost amounted to \$271,651.00. Is that right, Mr. Walker?

MR. WALKER: That is right. Contract 342, Village of Ancaster, westerly. This contract was let for construction work on approximately four miles in the township of Ancaster from the village westerly. The tender quoted on 46,700 square yards of macadam. The final certificate of the engineers show that 87,472 square yards were paid for. There were three tenders, the lowest was from the Dufferin Construction Company, of \$49,035.00. On July 28, 1921, an extension was approved covering 6,900 feet up Ancaster Hill, amounting to \$17,709.30. That would be the estimated cost of the extension. On October 3 a further extension was approved for 9,505 feet from Green's side road, easterly through the village of Ancaster to the top of Ancaster mountain road, at an estimated cost of \$34,900, and on December 1st an order was approved for catch basins at an estimated cost of \$682.50. The total amount of the tender and the extensions authorized is therefore \$102,326.80, and the engineers' certificates show a final expenditure of \$162,067.90, so that the excess over the tender and the known extensions amounted to \$59,741.10.

HON. MR. PRICE: How much lower was the Dufferin Construction Company?

A.—They were \$15,000 lower than the next competitor, D. O. Johnston, and \$24,000 lower than the Warren Bituminous Company.

Q.—The other fellows did not seem to think they would get all these extensions.

MR. GRAVES: I thought the Warren people did not tender on that kind of road.

HON. MR. BIGGS: This is macadam work.

MR. GRAVES: I thought they only tendered on a special kind of road.

HON. MR. BIGGS: We are talking about surface work.

MR. KEMP: They build the Warrenite road, a patent road, and have a special right on the road. I think they also build a macadam road.

HON. MR. MCCREA: Cannot any contractor put Warrenite on a road?

MR. KEMP: Not without their consent.

HON. MR. MCCREA: Are not they in a position to make arrangements to do that?

MR. KEMP: No.

Q.—It ran from \$49,000 to \$102,000, and in addition there was an extra extension of \$102,000, and the first contract plus the extensions when they came to pay was \$162,000?

A.—The point I was not satisfied on was the final certificate shows an excess over the tender, and the extension of \$59,741.10.

MR. GRAVES: Therefore \$59,741.10 has been paid out on the work without any certificate for extensions or contracts?

A.—To check myself up I had someone in the Department give me their version, and I have a copy of the memorandum forwarded to me.

HON. MR. PRICE: What does it say?

A.—“Memo for Mr. Walker. On the 16th May, 1921, contract 342 was let to the above company for excavation, and reshaping present surface with water-bound macadam base, five inches in thickness, and other necessary work, from the village of Ancaster westerly, a distance of approximately four miles . . .” (reads report of J. L. Zoller).

HON. MR. BIGGS: In this connection was there anything set out for earth-work and ditching in this contract?

A.—It covers excavating, scarifying and reshaping.

Q.—Ditching?

A.—Nothing said about ditching.

MR. GRAVES: That is a letter or memorandum from the Department you are reading.

A.—I asked that an investigation be made, as I wanted to check myself up to see if I was not missing something. I could not find anything on the file.

Q.—Surely there would not be an item of \$59,000 odd going out without something?

A.—They are covered by engineers' certificates that the work was done. The fact is, there was no portion, either of the tender and contract and the extension, so far as I could find, which were covered satisfactorily.

HON. MR. PRICE: Next contract?

A.—Contract 281, Pittsburg township. This contract was awarded to McGinnis & O'Connor on a tender of \$149,844.00 for construction of 7.7 miles, and the final costs were \$198,385.71, close on to \$50,000 more than the tender and contract.

Contract 283, Jarvis to Niagara Falls, this contract was awarded—

Q.—Who got the previous contract?

A.—McGinnis & O'Connor. That is contract 281.

Q.—On tender?

A.—Yes.

Q.—How many tenders were there?

A.—I have not got the data. Contract 283, Jarvis to Niagara Falls, contract awarded to McConnell & Hicklin on one tender of \$418,195.00. The final costs on engineers' certificates ran to \$586,383.69. The point there is the engineers' certificates covered expenditures, but the expenditures were not authorized in the contract.

MR. GRAVES: Does that mean the engineers' certificates, no matter what they are, were paid without any authority, as far as you can find?

A.—I cannot find it.

Q.—The engineers send in certificates and that amount is paid and not checked up?

A.—So far as I know, the engineers did not have authority to do the work, but the work was done and paid for.

Q.—Only on the recommendation of the engineer?

A.—Yes.

Q.—On the signature of the engineer?

A.—Yes. Contract 86, Ancaster Hill. This contract was awarded to D. O. Johnston on a tender of \$20,945.00, the tender being the lowest of five. There is evidence in the files of an extra of \$9,274.82, and an extension of \$27,416.43. The final cost ran to \$91,517.48; very considerably more than the contract and extension that I could get trace of.

MR. HILLMER: What was the contract?

A.—\$20,945.00.

Q.—Extras?

A.—\$9,274.

Q.—Extension?

A.—\$27,416.00.

HON. MR. PRICE: What was the extension, how many miles?

A.—I have not got the data.

MR. HILLMER: What was the total cost?

A.—The total cost ran to \$91,517.00.

Q.—Were any of these contracts let notwithstanding price?

A.—Yes.

HON. MR. BIGGS: I might say to the Committee that Johnston started to work and had the work completed, but during the work he had to move as much or more earth than the original contract called for. The side of the hill slid down across the road, and the slide was removed at the same unit price as the contract was let, but that was an absolutely unforeseen condition which nobody could guard against.

Q.—That accounts for the extra \$9,000 odd.

HON. MR. PRICE: What accounts for the extension?

A.—There was no extension in March. The extra could be made up of culverts or tiling.

HON. MR. PRICE: What Mr. Walker is objecting to and which you might admit when you know the whole circumstances pretty well, that after the extras or extension, or something else had been paid for, that the amount paid out was something like double and sometimes three times as large as the tenders. These payments may be for work done, and no doubt they are.

MR. WALKER: I think so, but possibly all extensions have not been carefully recorded.

HON. MR. BIGGS: In this particular instance, I know what happened. There was a slide there, and the slide had to be removed, and there was a small crack in the road.

MR. HILLMER: I do not think the explanation you made is sufficient for that. I do not think that is clear. The contract is for \$20,945.00 and you have extras, \$9,274. Then you have an extension of \$27,416.00. If you take the total cost of the road, what has been actually paid, when you consider the amount, surely it would not take that to move the whole side of the hill.

HON. MR. PRICE: There was no increase in mileage.

MR. HILLMER: There is \$27,416.00 for something.

HON. MR. PRICE: Yes, for something.

MR. WALKER: Leaving the two extensions out, the tender was for 13,500 cubic yards of earth at seventy-five cents. The engineers' approved certificates for 46,561 cubic yards of earth excavation and that made a difference of 33,061 and there were 2,500 cubic yards of rock at \$2.30, and that ran to 9,805 at the same price. Running from \$5,750 to \$22,533. I cannot find any authority to the engineers to pass that or to sign certificates on the work, but the work was done of course. I cannot find any authority to the engineers to do it.

HON. MR. PRICE: The engineer would be guided by the tender and the contract?

A.—Yes.

Q.—When he was making his surveys, he would be surveying something included in the contract?

A.—Yes.

Q.—Is there anything to show at all that there was ever authority that the engineer had, or any check by the Deputy Minister, or the Minister?

A.—There is only the orders that I mention, which were entirely apart from these increases of earth excavation. There is no information to show, from what we have here, to show upon what the engineers were working. The engineers would put in certificates that were not checked up carefully.

MR. GRAVES: If the engineers wanted to put in fictitious certificates, there is no way of checking them up. There is no way in the Department—they put in the certificates and the money was paid.

MR. WALKER: The certificates are pretty well taken care of. There would have to be collusion between the resident engineer and the chief engineer.

Of course, in cases like that, I suppose that would have to include extensions, etc.

MR. HILLMER: In that original contract, would there be an extra clause providing for any extra excavation or any extra work or deductions at a unit price?

THE CHAIRMAN: I suppose it says that provision is made for any extras that were authorized. The auditor says the certificates certified by the engineers are at a fixed price.

MR. HILLMER: Subject to extras or deductions?

THE CHAIRMAN: They have to be authorized in writing.

MR. HILLMER: That is an increase on their contract.

THE CHAIRMAN: Yes. He finds nothing of that kind on the record, and he says the engineers' certificate would cover that, and he assumes the work has been done. What he says is, there is no authority for the engineers to go ahead.

MR. WALKER: That is the point. Contract 164 in the township of Matilda, awarded to Frank Milligan, apparently on one tender of \$33,750, for crushed stone at \$4.50 per cubic yard. The Department's engineer reported the price quoted to be fair. One extension of \$2,790.00 was granted and the final cost ran to \$46,824.25, the work performed and stone supplied exceeding the tender by \$13,000.

HON. MR. PRICE: Were these tenders advertised for, or how were they got?

A.—Apparently specifications were prepared by the engineers and advertised for.

Q.—There was only one tender?

A.—Yes, in this case, there was only one tender, but an estimate was put in by the department's engineer, who apparently was written to, and he said \$4.50 per cubic yard was a fair price.

Q.—If it was a price at \$33,000, it would be fair at \$46,000 on the Department's own certificate?

A.—\$4.50 per cubic yard was the price and the contract was for a certain amount of crushed stone, and the total was \$33,750, and the contractor ran it up to \$46,800.

Q.—There must have been more cubic yards?

A.—More cubic yards were certified by the engineer.

Q.—I suppose you do not know, or could you estimate from the cubic yards of work to be done, and if you could, do you think you would be out over \$35,000?

A.—I would not like to be.

Q.—What was the extension?

A.—\$2,790.

Q.—The original price was \$33,750 at \$4.50 a yard, and the amount paid by the Department still at \$4.50 a yard, is \$46,824, so there is a difference of over \$13,000, or at \$33,000, would be more than thirty-five per cent. If it was certified by the Department for \$4.50 as a fair price, it was not fair to run \$13,000 over.

HON. MR. BIGGS: The yardage ran over.

HON. MR. PRICE: They can figure the yardage out at the beginning, somewhere near it.

MR. HILLMER: Could you not find anything in the Department to justify that expenditure?

A.—No.

Q.—The contract price was \$33,750, and the cost was \$46,824, and there are no engineers' certificates or nothing to justify it?

A.—There are the engineers' certificates, and they are approved by the chief engineer that the amount of work was performed at \$4.50 per cubic yard, which ran to those figures. I do not see the authority of the engineers.

Q.—There were that many yards of work, and it ran into \$43,000 and there is nothing to show for what that was paid?

A.—There is nothing to show whether the contractor had authority to do the work or whether any engineer had authority to give him the work.

Contract 908, Black's Corners to Freelon. This contract was for the construction of 5.7 miles, bituminous, Black's Corners to Freelon, was awarded to the Dufferin Construction Company on tender. There were eight tenders. W. H. Sheridan was considerably lower than the Dufferin and his tender was thrown out with the remark on the file "past experience." In addition to the contract price of the Dufferin contract, the Department supplied material to the extent of \$13,470, and the total cost to the Department was \$187,218, or per mile, \$32,840. On the 30th April, 1923, an extension was granted of two and three-quarter miles at an estimated cost of \$92,244, or per mile, \$33,600. The Dufferin Construction Company received on engineers' certificates the sum of \$270,328, which was in excess of the tender and extension, \$4,335. The extension was granted apparently without competition.

Q.—How much was the Sheridan tender below the Dufferin Construction Company?

A.—They were \$11,210.

Q.—What did it mean by "past experience?"

MR. GRAVES: That would mean that they had done work formerly. Did you find whether the Sheridan people had done work?

A.—I found one place where the Dufferin Construction Company were allowed to sublet part of the contract on the Dundas Road of 13.2 miles.

Q.—That apparently was on the work they did there?

A.—That is all I saw.

Q.—That is what the memorandum refers to?

A.—That is all, past experience.

HON. MR. BIGGS: Very bad experience in Western Ontario.

HON. MR. PRICE: What was the cost, the excess cost in connection with the contract?

A.—The extension was \$93,244.66. Contract 289, Dundas Road, York boundary to Cooksville, awarded to Kilmer & Barber, on a tender of \$180,129, the lowest of three. One extension was granted amounting to \$37,492.50. The area was four miles. The final cost ran to \$253,890. The cost of the extension was \$37,492—rather, that was the excess by the extension, and a further excess over the tender of \$36,268. I have one other contract noted. This is a contract granted to the Dufferin Construction Company. The point I noted there, was that the Dufferin Construction Company were not the lowest tenderers.

HON. MR. PRICE: This is a new contract?

A.—Yes, 641, six miles west of Cooksville, westerly to Sixteen Mile Creek. This was for clearing and grubbing. There were three tenders under that of the Dufferin, but they were granted the contract with the remark that their equip-

ment was already on the ground, and from the experience of the Department with their work. I find that they did the work at the same price as the lowest tenderer, \$41,000.

Q.—That looks like another Jarvis transaction.

A.—They ran it up to \$252,215.

Q.—The excuse was the Dufferin people had their plant on the ground?

A.—Yes, and from the experience of the Department with their work.

Q.—Can you give us what the other tenders were?

A.—The first one, Terminals Construction Company, \$41,000; Castelleni, \$41,890; Ungstrom, \$41,500, and the Dufferin came in at \$45,800.

Q.—It was the highest tender of the whole lot, and they got the contract?

HON. MR. BIGGS: At the lowest price.

MR. WALKER: They ran it up \$11,500.

HON. MR. PRICE: Was there any extra work, or any certificates showing extra work?

A.—I did not search the file. There was nothing on the contract record.

Q.—They got their original price?

A.—As far as the contract record goes, the tender did not make any difference to them.

Q.—Isn't this the fact, that tenders were called for this work, and the Dufferin Construction Company was the highest tenderer, but they were given the opportunity to take the job at the price of the lowest tender?

A.—Yes.

Q.—That is rather an extraordinary procedure?

MR. HILLMER: Were they paid the price of the lowest tenderer?

A.—They got considerably more.

HON. MR. BIGGS: On a yardage basis. What basis were they paid on?

A.—I did not search the files.

HON. MR. PRICE: How much money did they get?

A.—\$52,515.

MR. GRAVES: What kind of work was that?

A.—That would be clearing and grubbing.

Q.—There is no yardage?

HON. MR. BIGGS: This may be one item: it is earthwork.

MR. WALKER: Getting ready for the pavement.

HON. MR. BIGGS: Earthwork. Clearing and grubbing.

MR. GRAVES: You could clear from here to London for that price.

HON. MR. PRICE: Is that all the contracts you have to comment on?

A.—Yes.

Q.—What is the next one?

A.—I have pretty well covered the ground, unless you wanted some more information on land assessments and wanted any more information on the question of interest.

Q.—We will not touch the question of interest. What about these rebates from the Canadian Pacific Railway and Canadian National. Explain to the Committee what these rebates would be and just give it to us shortly?

A.—There were certain refunds received from the C.N.R. and from the C.P.R. and these would be refunds by the railway on over-charges, possibly, for demurrage, and in some cases where the Department had paid an account twice; that not infrequently happens. These amounts were received over a period from 1919 to 1923. The first payments were evidently paid by cheque, and were accounted for as deposited in the Department bank account. But from the

period starting May 11, 1920, straight through until October, 1921, there is no trace whatever of any of the amounts having reached the Department bank account, or of having been sent to the Treasurer.

Q.—How much do these amount to, all told?

A.—The total amounts of the refunds received from the C.N.R. which cannot be traced in any way are \$2,157.38, and from the C.P.R., \$73.17.

Q.—Take the refunds from the Canadian National Railway, I see from June, 1919, until April, 1920, apparently these refunds got into the bank account of the Province?

A.—From June, 1919, until November, 1919—until April, 1920.

Q.—Well, then, on May 11th, 1920, Voucher 237, \$42.44, I see you have it received by N. W. and there is no trace of it having got into the Department?

A.—No trace whatever.

Q.—On September 1st there is an item, 403, and from September 1st right down to May 30th, you have a great many items signed for by A. Smith?

A.—Yes.

Q.—Although it was signed for by A. Smith, it never got into the Department?

A.—No.

Q.—Have you seen A. Smith to find out why he signed for these?

A.—I saw him some time ago. I had at that time a statement which I got at the freight department of the C.N.R., and as he was accountant at that time, I asked if he could give any explanation of certain shortages which had been discovered by the Audit Department. These occurred at a later date. He could not give me any information at that time.

Q.—Were these received in cash?

A.—Yes.

Q.—Where is this A. Smith's signature, at the railway?

A.—Yes.

Q.—You searched and found out A. Smith had signed for these items at the railway office, \$3.95, ninety-one cents, eighty-eight cents and so on?

A.—Yes.

Q.—And you cannot find any trace in the Treasury?

A.—No.

MR. GRAVES: He went to the office?

A.—Yes. The cash would be brought into the office.

Q.—In his office?

Q.—He signed for it and took the cash?

A.—Yes.

HON. MR. PRICE: This is signed in the railway office?

A.—Yes.

Q.—That is where his signature is?

A.—Yes.

MR. GRAVES: Then there is no doubt he went to the railway office and signed for the money and received it?

A.—The explanation they gave me was that these amounts were in currency and brought to his office. In fact, I saw the man who delivered them.

Q.—What does Smith say?

A.—He could not give any explanation at that time, except this, that there were certain deposits which had no explanation to them. It was simply a deposit on account, such as \$705.21 and he thought possibly some of these refunds would have been for that, and it would be put in and form part of a deposit

later on. Later on I got at the bottom of some of these deposits and while it is not absolutely certain that some small part could not have been deposited, it is absolutely certain the bulk did not get into the bank account and did not get into the Treasury. These amounts should not have got into the bank account, they should have been sent to the Treasury Department daily, as other receipts, such as rentals, and return of taxes and sale of gravel and stone, etc.

MR. OAKLEY: These same refunds, previous to November, 1919, were they always paid by the C.N.R. in cash?

A.—Previous to November, 1919, there had been half a dozen, seven or eight times, but they were by cheque, and these items were rebatements to the Highways on over-payments and they came back. Apparently these began to get heavy and the C.N.R. sent a credit slip to the Department. That system was stopped.

HON. MR. PRICE: Before 1919 they sent up cheques?

A.—Yes.

Q.—Were these items in 1920, 1921 and 1922, running away up to May, 1922, paid in cash?

A.—Yes.

Q.—Now, they are paid by cheque?

A.—Yes.

Q.—Is not that something that requires a lot of explanation, a thing like that which lost the Province a couple of thousand dollars?

A.—The net loss is, in one case, \$2,157.38, and the other \$73.17.

Q.—Is Mr. Smith still in the Department?

A.—No, he has not been in the Department since 1923.

Q.—Did you see him?

A.—I had a talk with him, but that was before I knew his name was attached to the great bulk of these receipts.

Q.—He has signed for all that stuff?

A.—Yes.

Q.—You know on reference to the Canadian National Railway that these amounts were received, and you say some were deposited in the Treasury instead of being deposited in the Highway Improvement Account, that is 1922?

A.—Yes.

Q.—A great many?

A.—Well, that should have been—that was the proper course.

Q.—I am pointing out they just started a new system of depositing in the Treasury?

A.—Yes. They have a separate book in which these are recorded and even that book does not show some of the items, and the Audit Department have not been able to find any trace. On investigation in 1922 by the Audit Department, I think it was, they discovered some of these items were missing and I have no doubt everybody there had a full opportunity to give any explanation they could.

MR. KEMP: Do I understand, in 1923, from the C.P.R., was the only time in which the rebates were lost track of?

A.—All that came in cash. There were other refunds by cheque, which would probably be from the head office of these railways. These items are from the railway offices at the corner of Front and Simcoe and came in currency. There were a number of these came by cheque and these cheques went to the Treasury.

Q.—What was the fact you brought out in connection with a certain sum of \$500 odd, or sums making that up, that were deposited with the Treasurer, Mr. Smith—might those not be included in it?

A.—There were certain deposits and the result was that there was no history connected with them and I wanted to get the history to clear this matter and also determine whether these went into the Highways Account or were sent to the Treasurer. And although the duplicate deposit slips were in his handwriting, he could not give me any history regarding them. I found that they were largely cleaned up in the returns of accountable advances. I obtained information from the engineer's returns of accountables which did not go into the books of the Highway Department, as being part of the deposits. There were few cases involving only a few dollars, and after having gone thoroughly into the matter that is how it now stands.

Q.—It is pretty well cleared up?

A.—Yes.

Q.—What about the C.P.R.?

A.—That amounted to \$73.17.

Q.—Is there anything else you can give the Committee?

A.—I have covered every point, at least to some extent.

HON. MR. PRICE: I was going on in an endeavour to get some other things, but I think probably I have exhausted about all I can do to-night, unless there is something else other members want to take up. I propose to take up the examination of Mr. Harris in the morning, and probably there are three or four things arising out of Mr. Walker's report, which it will be necessary to have explained to the Committee and we will have witnesses here to go over that in the morning. Unless there are some things members of the Committee wish to take up.

MR. KEMP: There is one thing I would like to know, that is the actual shortage you were referring to. You said there was an actual shortage and a large sum has been mentioned, but from the evidence which has been given there only appears to be a shortage of some \$5,000 odd.

HON. MR. PRICE: It must be understood that that amount is made up of losses in revenue to the Province, and are sums which have been traced by the Audit Department.

MR. WALKER: If the records had been there, I would have been certain of identifying these things and they probably may have been made less, but the records are not there.

Q.—You are positive there is no more of a shortage than this \$5,000, and part of that you think can be taken care of?

A.—I think the \$5,000 was all right. The definite shortage would be two amounts of \$50.00 each, which are railway refunds, and several cheques endorsed in blank or endorsed openly, with open endorsements which were cashed by the Department and did not get into their bank account and did not go to the credit of the proper account.

Q.—That is to say, there is a total shortage of a couple of thousand dollars on a fifty million dollar expenditure, and the total shortage you find is something around a couple of thousand dollars?

A.—Say \$3,000.

HON. MR. BIGGS: Mr. Chairman, I have been somewhat interested in this investigation, but there is one point I would like to clear up. In connection with these contracts, very, very many times where extensions were made and more money paid than the original contract set out, I think it is pretty well

established in nearly every instance that the extensions have been made on the unit price. It is quite possible, and I am not here offering any excuse, or asking any quarter in regard to the matter, but many times these matters were discussed by the chief engineer and myself, and by the deputy and myself, and discussed by the three of us, and decisions were reached regarding these extensions, and finally decided upon. Probably through lack of care, these things were not placed in writing between myself or the deputy and the chief engineer. There were understandings reached regarding these matters and carried out without a written order or a written memorandum between the head of the Department, the deputy, or the chief engineer. At the beginning this afternoon, when the Honourable Provincial Treasurer introduced the matter to the Committee, I understood from him, I may have misunderstood him, I hope I did, that there was a shortage in the Highway Department of something like \$300,000. That sounds alarming to me now when we have \$3,000,000 pointed out by the auditor, and I think he has made a very fair audit. He told us he sifted every account out to the very bottom.

HON. MR. PRICE: Why should he have had to audit it at all?

HON. MR. BIGGS: I would like the Provincial Treasurer to say whether I misunderstood him, now that the fact has been set out that there are a couple of cheques unaccounted for. I would like to know if I misunderstood the Treasurer, when he states that there was that large sum missing.

HON. MR. PRICE: There were missing vouchers and a shortage shown.

THE CHAIRMAN: There is \$300,000 in missing vouchers that Mr. Walker has not discovered up to to-day, and in addition to that the Department wanted to put it into the estimate and we have had to go to work and get a special auditor and put four or five men on these going through the account in the bank to find out whether these moneys were paid or not, and nobody ever expects to find moneys paid out of the Department without the necessary vouchers showing the payment. What I wanted Mr. Walker to do was give an actual statement of the Highway Improvement Funds. He has put before the Committee an explanation of the contracts, which do not look good to me. I do not suppose there is anything wrong, but there has been money paid out and that is a bad job. I do not expect to find moneys actually going wrong, but I was surprised at these rebates from the railway.

HON. MR. BIGGS: In connection with these rebates, I may say I am surprised too, but I might say this, I am not getting behind anybody in the Department, this is a matter of reputation and that was never brought to my attention and I am sorry there is any irregularity. I do not know the name of the clerk or accountant who had charge of the particular matter, but there is no reason why that condition should exist, Mr. Treasurer, and I do not know that I have anything further to say in regard to the matter.

MR. GRAVES: I do not think there is any doubt, Mr. Treasurer, that there is any member has any idea that there was \$300,000 stolen money. I would just like to ask the ex-Minister if he feels that extensions given without contract and without competition amounting to three times the original contract, is a good way of doing business. That is apparently what is the matter as far as the extensions are concerned. A man can readily understand any contractor starting in at the contract at a certain price and getting payment for extras, but it is hard to understand how the original amount can be exceeded by twice the amount and in some cases three times. If you are quite satisfied these are all right, it is up to yourself.

HON. MR. BIGGS: I may say, with regard to these extensions, I could have given the Committee a good deal more information than what was brought before the Committee, I was just alarmed that somebody would think I was trying to bring things before this Committee in the way of drawing a red herring across the trail and that was not my intention. I am fairly convinced in my mind each instance brought up to-night regarding extensions are quite in order. I know where the work was located and know the difficulties and the extensions have been made on a unit basis. I may say all these contracts are based on a unit basis, so much per cubic yard and there are different conditions which enter into these things, namely, the length of haul and supply of material and a great many different things. There was the Milligan contract where the price was \$4.50 per cubic yard, and you must bear in mind that all these different things must be taken into consideration.

HON. MR. PRICE: What is the object in offering anybody a contract and when the contract has been awarded there are no records covering the expenditures, and in one case which came before us the evidence was to the effect that the contractor gets one-quarter of the price before the work is started?

HON. MR. BIGGS: I am not going to argue that with you. You have one viewpoint and these have all been carefully discussed. I have felt in connection with the contracts that possibly there were too many discussions between Mr. Hogarth, the chief engineer, and the deputy and myself, that were not put in writing, and put on record.

MR. HILLMER: Do I understand there has been \$305,000 paid to the Highway Department for which you have no voucher?

HON. MR. PRICE: Yes, that is correct, but Mr. Walker says by checking the bank account and by taking the different slips and by taking the cheques which are filed away, not in the Department, but somewhere else, he has been able to consider it and thinks there has not been any actual loss to the Province. What started this investigation was the missing vouchers. If the vouchers had been there and business carried on and cash books kept, there probably would not have been this trouble. The facts are that we had no books in the Department for twenty-one months and the cash book was lost for four months. I do not want the Committee to feel because I am not vociferous I am any the less firm in stating that it was a condition of affairs that should not have existed. It is a deplorable state of affairs when any business of any kind is without a cash book for four months, and without books for twenty-one months. In the case of the Province, the particular department, the Highways Department, was spending enormous sums of money and nobody could separate a lot of these things without vouchers. There are a lot of charges being made by the Dufferin Construction Company and there are no vouchers. Mr. Walker has had to go through over three or four thousand.

MR. GRAVES: The explanation of this is more or less caused by the improper keeping of the books.

THE CHAIRMAN: Lack of books. It seems incredible that a Department of the Government should carry on for twenty-one months without books in handling hundreds of thousands of dollars.

MR. OKE: I have been listening quite attentively to the proceedings and some I have not heard. On going home last week-end, I picked up a morning paper and saw in glaring headlines, \$300,000 Provincial Highway Funds unaccounted for, something in that regard. I do not think it is the object of the Honourable Provincial Treasurer, or any members of this Committee, to try and tack on to Mr. Biggs any unfairness—I do not believe it is. I do not

think it is fair to the people of the Province of Ontario generally, to have these things broadcasted before them in such glaring headlines that will implicate some past Minister of the Crown. Do you not think it was unfair, Mr. Provincial Treasurer, that that information got to the press in such a way that it gives the general public the idea?

HON. MR. PRICE: Referring to what occurred two weeks ago?

MR. OKE: What I am referring to was the reference to this tremendous shortage in the Highway Department. It has now come out that practically there is little or nothing showing as a deficit, and do you not think it is only fair that we, as a Committee, should make it plain, and that the press should make it plain that in reality this Committee has found?

HON. MR. PRICE: I have no doubt the press has the facts.

MR. OKE: I always have some sympathy for the under dog, not that it is Mr. Biggs, but anybody else. I believe the impression has gone abroad that Mr. Biggs has been either involved, or perhaps we might use the word crooked, in his administration. Now, since your audit has found that practically everything is all right as far as the evidence is concerned, I would like to see a special effort made by the press to set right the real facts.

HON. MR. PRICE: Did you expect to find that moneys had actually been taken out of the bank accounts or out of account?

MR. OKE: No, it would not mean necessarily to expect anything.

HON. MR. PRICE: After we had gone through the investigation a year ago, we found things we are sorry we did find.

MR. HILLMER: I want to ask Mr. Oke a question, if he thinks this Committee would be justified in authorizing a statement to go out in the public press to the effect that practically every contract that has been under survey to-night shows it is double or treble the original contract price. Do you think that would be fair?

MR. OKE: That is not what I have been speaking of.

HON. MR. BIGGS: Nine out of a thousand.

THE CHAIRMAN: I take it that nobody wants to make any reflection on any Minister or officers of any department that is not deserved. Nobody has suggested that Mr. Biggs or anyone else got away with \$300,000, but there has been a most lamentable system in the Department, and the audit is an attempt to clean it up. It was absolutely necessary. The fact that we have seen the Department borrow \$250,000 from the Bank of Montreal, when the Province had nearly \$10,000,000 in the Bank of Montreal, is something which must be looked at. And they were paying $3\frac{1}{2}$ per cent. on that money and we were getting 3 per cent.

MR. OKE: It seems rather astounding to me, the result of the audit.

THE CHAIRMAN: Twenty-one months without books, handling money, and books have disappeared and vouchers are missing.

MR. EDWARDS: I am not quite clear on the missing vouchers. Did you have about \$300,000, and tracing that down do you know whether the money went to contract work?

MR. WALKER: I have covered that, contracts or properties.

(Adjourned until 10 A.M., April 9th, 1925.)

PUBLIC ACCOUNTS COMMITTEE.

Chairman—W. D. Finlayson.

Parliament Buildings, Toronto,
9th April, 1925, 10.30 A.M.

THE CHAIRMAN: Gentlemen, you are satisfied to dispense with the reading of the minutes of the last meeting? (Carried).

HON. MR. BIGGS: Mr. Chairman, I would like to bring to your attention that the two witnesses in connection with the Highway matters are in the room.

MR. MCBRIEN: I have no desire to make a political speech. I understood Mr. Raney appeared before this Committee in my absence and made certain statements and also indicated he would be back before the Committee adjourned. Is that correct?

THE CHAIRMAN: Yes.

MR. MCBRIEN: Unfortunately I do not see him in the room. He is conspicuous by his absence, but he said he would return to this Committee.

THE CHAIRMAN: He said he was coming back last night. I do not think we urged him to come. You want to have your appearance noted?

MR. MCBRIEN: I am quite willing to meet any of his accusations in any manner, shape or form.

THE CHAIRMAN: I think the Committee will agree with you, this is the last day, and we are not going to have any political speeches here.

HON. MR. PRICE: Mr. Chairman, while we are waiting for Mr. Harris I would like to call Mr. Nash on something else.

THE CHAIRMAN: While we are waiting, gentlemen, what procedure do you want to adopt this year as to drafting the report? The House rises this afternoon and we should have the report in.

HON. MR. PRICE: I think probably the Chairman might draft a report and bring it down the way he did last year for consideration.

MR. LEWIS: I think that would be the best procedure. I was waiting to see if anybody had any other suggestions; that is what I had in mind. I would move that the Chairman be requested to draft a report and submit it to the Committee later in the day.

HON. MR. BIGGS: It is possible it might not be necessary to submit it to a representative of each party.

THE CHAIRMAN: Moved by Mr. Lewis, seconded by Mr. Graves, that the Chairman be instructed to draft a report of the year's proceedings of the Public Accounts Committee and submit the same to a meeting later in the day. After we adjourn at one it might be possible to have it submitted at two o'clock—something like that. We have to have it ready for the House at three.

MR. LEWIS: You could introduce it in the House any time before the House adjourns. (Carried.)

A. E. NASH (already sworn).

By HON. MR. PRICE.

Q.—Last year the Committee requested that Mr. Nash go over the books of the Assured Savings Company and make a report. This report I believe Mr. Nash has completed and proposes to place the report before the Committee and include it as part of the evidence in this inquiry. It brings the inquiry up to date. Mr. Nash, following the instructions of the Public Accounts Committee last

year, you made an investigation into the books of the Assured Savings Agency, Limited?

A.—Yes, I did.

Q.—Will you tell the Committee just what you did on those instructions?

A.—We examined all the books of the Savings Assurance Agency, had all the documents, I believe. All their books and documents were intact. They were produced to us without any difficulty and we made an examination both of the books and of the documents and papers relating to the Assurance scheme and we made a report to the Provincial Treasurer under date 23rd March, 1925. I have a copy of the report here in front of me.

Q.—Will you produce a copy of the report?

A.—Perhaps I can make it brief, it is a nine page report. If it is desired I will read it in full. Perhaps it would be simplified and will bring out the main facts.

On the 18th of May, 1922, the Provincial Treasurer of the Province of Ontario entered into an agreement with Messrs. Vivian T. Bartram and Douglas K. Ridout whereby these two agreed to put before the public, in conjunction with the Province, a combined scheme of savings and insurance. The agreement set out certain rights and duties of the Province and of the contractors and laid down certain regulations under which the contractors were to carry on the scheme. Apparently the Government executed an agreement, and the arrangements whereby the company proceeded to do business was under a letter dated 3rd August, 1922, in which the Provincial Treasurer, Mr. Peter Smith, authorized Douglas K. Ridout to proceed with the Assured Savings plan, setting out certain restrictions in regard to what he was permitted to do. The Company was incorporated in June, 1922, with a capitalization of a million dollars, and the common stock of the company was held principally by A. H. Britton, Douglas K. Ridout and E. Irvine.

The arrangement with Bartram and Ridout was sold to the company by them for a consideration of cash and stock. The general scheme that was put into effect was one whereby the accepted applicant for insurance undertook to deposit each month in the Provincial Savings Bank a certain sum of money which amount was presumed to be, and calculated to be, sufficient to pay the premium on a straight life participating insurance policy of a \$1,000 and leave a balance which at the end of ten years compounded at 4 per cent. half yearly, which was the rate then paid by the Provincial Savings, would amount in ten years to \$1,000. That was the scheme, so that the assured was placing so much money per month in the bank, which amount would cover his premium. That would mean that the applicant would have at the end of ten years \$1,000 to his credit or there would be \$1,000 payable at death.

The company entered into contracts with insurance companies for the placing of the insurance. The companies were the Continental Life, the London & Scottish, the Standard, the Crown Life, the Commonwealth, Excelsior Life and the National Life Insurance Company.

Commissions were paid for agents to obtain this business. It appears to have been the intention of the Provincial Treasurer that as many insurance companies as possible should be associated with the Savings Insurance plan. On November 22nd he complains that comparatively few insurance companies will come in and threatens to suspend the scheme unless other companies participate.

By MR. MCBRIEN.

Q.—Who did that?

A.—The Provincial Treasurer, Peter Smith. Under the Assured Savings plan the company from June, 1922, to date, have received a total of 11,502 applications for insurance, representing a total insurance of \$15,473,000, for 11,502 applications received. Of this total the amount expended by the insurance companies was \$10,782. There is nothing significant in the amounts carried by the different insurance companies. The Crown Life had the largest proportion of the business. They got two million and a half, the Excelsior, \$1,666,000; the rest ranged down to National Life which got \$988,000. I find nothing significant to suggest why the one company got more than the others. The amount of insurance in force in January, 1925, was \$9,358,500. The reason that is lower than the amount shown as accepted was due to certain cancellations during the two years.

By MR. GRAVES.

Q.—Did they cancel the policy if the premium was not paid?

A.—No.

Q.—The assured got a thousand dollars at the end of ten years and still had in force the original thousand dollars life insurance?

A.—Yes.

Q.—It was a ten year endowment?

A.—Not a ten year endowment, participating life.

Q.—There was only one policy?

A.—They got \$1,000 in the savings bank and a thousand-dollar life insurance policy.

By MR. KEMP.

Q.—In case a policyholder did not keep up his payments into the bank, what happened?

A.—At any time the policyholder dropped the scheme he would then lose his insurance and get the amount of money standing to his credit, less any premiums unpaid.

By MR. GRAVES.

Q.—What position was the policyholder in at the end of ten years?

A.—A thousand dollars in the savings bank and a thousand dollar policy on which he had paid ten premiums. The company's revenue from commissions, being of course cash commissions from the insurance companies with whom they placed insurance at the regular rates, amounted to \$240,000.

By MR. MCBRIEN:

Q.—For how long a period?

A.—From September, 1922, to December, 1924, two years and three months.

HON. MR. PRICE: Did the insurance companies pay all the commissions to this company and did this company repay commissions to the Government?

A.—This company got commissions.

Q.—They had agents around and they paid a commission to them?

A.—Yes. I may say that the amount of commissions they paid to the agents was very much less than the commissions payable to agents by the life insurance companies on their contracts. The explanation given to me was this insurance was particularly easy to sell, the assumption being that the name of the Province of Ontario being associated with the scheme made it somewhat simpler to sell than straight insurance.

By MR. MCBRIEN:

Q.—On \$10,000,000 the commissions paid were \$240,000?

A.—Yes.

By MR. GRAVES:

Q.—You have the amounts this particular company got out of these transactions—

A.—I am coming to that. The general system of handling cash that was received from the assured—the insured parties, that is the applicants, deposited their monthly payments in the branch of the Provincial Savings office which was most convenient to them, and upon the company receiving notification from the branch of the bank of such deposits a demand was made upon the bank for the amount required to pay the premium. The first year's premium was payable in instalments, the second and succeeding years as a single amount. These amounts were then transferred from the branch banks to an account kept by the agency in the Dundas and University Avenue branch, and from this branch funds were transferred to the company's bankers. The money went from the agent to their own branch and from there to the main branch and credited to the company.

By HON. MR. PRICE:

Q.—Did it pass through the hands of the assured company or pass into the hands of the insurance companies?

A.—I am coming to that. In certain cases the monthly payments were paid to the company and there are cases where the assured brought the money into the company's office. The position is that the agent saw that the money was properly deposited and we have not discovered any cases to the contrary. In order to bring the Assured Savings plan to the notice of the public, the company advertised quite extensively. This advertising was done by means of circulars, pamphlets and newspaper advertising. We understand all the advertising was passed upon by Mr. McKenzie, manager of the Ontario Government Savings Office. Mr. McKenzie informs us that some advertising matter and advertising appeared and was published without his authority, and that in such cases he instructed the agency to cancel the advertising. I can only speak from what I have learned from Mr. McKenzie. The plan was, he should approve of all advertising. Some advertising was not approved by him and he informed me it was cancelled. The form of the applications made by the assured appeared to be approved by a committee appointed by the Government, and Mr. Britton informs us were O.K.'d by Mr. J. W. Curry and the Hon. W. E. Raney. The form of the application made by the assured was approved by Mr. Curry and Mr. Raney.

Q.—Why Mr. Curry?

A.—I can only tell you what I have found out.

By MR. GRAVES.

Q.—The form of the application?

A.—Yes, the wording.

Q.—Was not the wording all identical?

A.—Yes.

Q.—What was the necessity of that?

A.—The form had to be approved.

MR. LEWIS: A general form.

HON. MR. PRICE: There were a number of forms and I presume the final form was worked out from different forms, and apparently the final form was submitted by Mr. McKenzie to the late Walter Curry and Mr. Raney, and

were approved in his capacity as a representative of the Government, and Mr. Curry represented Mr. Ridout and Mr. McKenzie because he was a director of the Savings Office.

By HON. MR. PRICE:

Q.—It was the contract and they were checking it up?

A.—Yes. Agents were appointed subject to the approval of Mr. McKenzie of the Department. But from an examination of certain correspondence in the files it would appear complaints were received from time to time from the Government and outside parties that certain of these agents made improper representations to the public by stating the Government was in some way subscribing to the insurance plan. In this connection I would like to point out that clause 9 of the undertaking signed by each applicant reads:

"I understand and agree that as between the life insurance company which is issuing insurance, and the Government of Ontario which is issuing the savings pass book, each of which is interested in the said plan, neither one of them is in any way responsible for the carrying out of the terms of said plan by the other."

In soliciting insurance improper representations were undoubtedly made by agents that the Government was in some way behind the insurance plan.

On the 10th October Mr. Gray, Superintendent of Insurance, made a report to the Treasurer on the Assured Savings scheme commenting upon its advantages and disadvantages. The report generally was unfavourable to the scheme, but while Mr. Gray favoured the discontinuing of the whole enterprise he also made certain suggestions for its improvement if it were to be gone ahead with.

As to the operations of the company, during the first year of operations the company showed a total loss of \$52,000; the commissions collected being entirely insufficient to meet the payment of commissions to agents. The second year the company showed a profit of \$8,528, and for the four-month period from July to October a profit of \$2,810, indicating that there would be more profit, as would be naturally expected in succeeding years, when the work of obtaining applications was not so heavy. Consequently from the date it commenced operations to that on which it ceased writing new policies the company's books show a net loss of \$40,999.

As a result of these losses the company was compelled to borrow both from its bankers and Mr. Tisdall, and from Messrs. Britton and Ridout. During the past year the volume of new business had been falling, and the company's indebtedness to the insurance companies had been steadily increasing. At 31st December, 1924, the total liability to insurance companies amounted to \$41,903. The indebtedness to the bank stood at \$17,700, and to Mr. Tisdall \$2,800. So the indebtedness at that time was somewhere in the neighbourhood of \$60,000. Since that date Mr. Britton has advanced to the company \$15,000 and Mr. Ridout \$5,000, which amounts have been used to reduce the indebtedness to the companies.

The significance of that was that on account of the loss which the company suffered they were unable to pay promptly moneys due to the insurance companies with whom they were doing business. As I stated before, one of the great drawbacks in connection with this scheme was the fact of the agents inducing prospects to take insurance by informing them that the Government was behind this scheme. They were going about and collecting money on those representations.

The position has improved somewhat since as regards these advances made by Mr. Britton and Mr. Ridout. They assure me that the debts to the insurance companies will very shortly be paid off. The only loans made to the company by Mr. Britton, other than those during the present year, were made jointly with Mr. Ridout during 1922. I mention the point because there was certain evidence given that Mr. Ridout advanced money to the company. A statement of Mr. Ridout's loan account shows on the 30th of August, 1923, he advanced to the company \$5,000, which was repaid by October. In December, 1923, he advanced \$5,000 of which \$4,100 was repaid in February of the following year. He made subsequent smaller loans, the majority of which were repaid, and the present balance due to Mr. Ridout is \$611.

The expenses of the company included commission paid to agents at rates varying from \$6 to \$8 per \$1,000. We have carefully scrutinized all payments made under this head. The total amounts paid as commissions to agents amounted to \$119,000. Salaries paid by the company amounted as follows: To Mr. Irvine, \$8,000; Ridout, \$5,200; Britton, \$2,600; Bartram, \$8,200, in the first year. The total salaries paid from the commencement of business amounted to \$77,000.

We have made an analysis of cash receipts and payments of the company and have examined all payments made, especially those to agents. We have scrutinized the correspondence and received explanations of any payment of any substantial amount.

By MR. GRAVES:

Q.—What was Ridout's position that he should draw such a salary? What was that for? What did he do?

A.—Mr. Britton was President and Mr. Ridout was Vice-President.

Q.—And they got those amounts for these two offices?

A.—I merely mentioned salaries, Mr. Graves, to complete the report, and in order to show the general scheme in which the Government was interested. I am not necessarily criticising them.

Q.—Is the Government liable in any way as regards the insurance end?

A.—No.

Q.—If anything it is a moral obligation?

A.—I do not know that there is a moral obligation.

Q.—What do you say was the amount of the salary paid to Ridout?

A.—\$5,200, Bartram received a special remuneration of \$8,200, and Irvine \$8,000, and Britton \$2,600.

By HON. MR. BIGGS:

Q.—Over what period?

A.—1922, 1923, and 1924, each year.

By HON. MR. PRICE:

Q.—Mr. Nash, in going into this, did you notice that the Department had cancelled its arrangement with the Assured Savings scheme?

A.—I found no documentary evidence of cancellation. The agreement was in the possession of the company, signed and produced to me.

Q.—That is in the beginning, that was the original agreement. I mean the present Government did cancel this with the Assured Savings Agency, Limited, and they had ceased to carry on this business?

A.—On the 31st December, 1924, they received notification from the present Treasurer that the arrangement was at an end, and since that date no policies have been written with the exception of \$8,500, which the company's

officers had assured us had been contracted for prior to the receipt of instructions from the Government.

Q.—That was merely an overhang in the business?

A.—Yes.

Q.—As an auditor and accountant on this scheme, do you agree with what has been said in this Committee of the action of the Department in cancelling this as far as the Province is concerned?

A.—I would not care to express an opinion or pass judgment upon the merits of the scheme. Undoubtedly the scheme had some merit. There were some grave weaknesses, the principal weakness that occurred to me was the use of the Province's name. Bearing that in mind, I think it would be fair to say the Province had acted wisely under all circumstances and in view of the fact that complaints were received that the name of the Province was improperly used, they acted wisely in withdrawing from the scheme.

Q.—Will the people who have received insurance through various companies be protected in their insurance?

A.—All they have to do is to continue to pay their premiums. There is no hardship I know of, or any likely to occur.

By MR. MCBRIEN:

Q.—Who do they pay premiums to?

A.—To the company. They can still continue to pay premiums to the Assured Agency, Limited.

HON. MR. PRICE: The first two years would be the hard part.

By HON. MR. PRICE:

Q.—What business did they do in conjunction with the Provincial Savings branch?

A.—Practically nothing. They are to-day carrying on a straight life insurance agency business.

Q.—Would the insurance company issue the policy direct to the assured?

A.—Direct to the assured. They would pass through the hands of the agent to the assured.

Q.—The commission would go to the company?

A.—Yes.

Q.—The only trouble it might be would be in the manner of paying the premium. The original scheme was the people paid money monthly by paying the money into the bank?

A.—In the first year the Assured Agency guaranteed the premiums until such time as deposits were sufficient to pay the premium. In subsequent years there is no necessity as they have deposited so much each month.

Q.—Now, if the assured deals directly with the assurance company he would have to pay the premium quarterly, yearly or half-yearly?

A.—Yes.

Q.—That might be a little difficult to a working man who is buying insurance and paying by the month?

A.—He always has the option of carrying on his own savings scheme. It is the same thing. He had to pay the premium annually, but under the other plan the money was placed in the bank to meet the premium.

HON. MR. PRICE: There is no doubt this whole scheme presented a great many difficulties. In the first place there is not any doubt, as Mr. Nash has stated, that this agency presented a great many difficulties, in that we had about 10,000 people who had taken out insurance and the Department were very anxious not in any way to affect their rights. But we arrived at the state

where the agents went throughout the country and made representations that the Province of Ontario was behind the insurance, whereas as a matter of fact the company was behind the insurance, and this was only an agency like any other agency to write insurance. We have heard evidence that there were a great many difficulties, and there was a division of opinion when this was brought up. The difficulty would be that this might run over a period of ten or even up to twenty years, and the Province might be held responsible for the insurance. With that in mind I took the responsibility, as Treasurer, and had it cancelled. I notified the company six months ahead of time I proposed to cancel it, and that they could write insurance at their own risk. However, it was cancelled amicably and the company were more or less satisfied, and as Mr. Nash has stated from now on the company will be getting in their premiums and will be able to carry on.

This is a matter that was brought up before the Committee last year and I had the matter gone into fully in order that a report could be placed before you, and the situation thoroughly gone into and outlined.

There is nothing of a political nature in this matter. It is a question of business. I want to get out this fact that the cancellation of this scheme had probably some effect on the depositors, they did not begin to increase as would probably have been the case if we had gone on. We probably would have had by this time a thousand more depositors.

MR. MCBRIEN: The original advertising went so far as to state that the depositors would receive four per cent.

HON. MR. PRICE: It only affected the Assured Savings Agency. I made an arrangement with them and they were satisfied. The settlement which was arrived at amounts to less than a dollar to them on each policy. It is a very small amount.

MR. MCBRIEN: The depositor still gets his interest?

HON. MR. PRICE: Yes.

MR. MCBRIEN: The Government loses nothing?

HON. MR. PRICE: No.

MR. MCBRIEN: You charge that to the Insurance Agency?

HON. MR. PRICE: Yes. I might say I looked into the matter carefully and we were not bound legally or morally to give four per cent. It was based on a statement prepared by these insurance companies, and when you figure it out at three per cent. it made so little difference that when I explained the whole thing to them they were prepared to take it. The result is the Province loses nothing, the insured loses nothing, and they were prepared practically to assume the whole thing.

HON. MR. BIGGS: After the Provincial Treasurer cancelled the arrangement, did the Insurance Agency establish any connection with any chartered bank or anybody else to take on the same work?

MR. NASH: They informed me they have endeavoured to do that.

HON. MR. BIGGS: That part of the matter is of no concern to us.

HON. MR. PRICE: No.

MR. NASH: I did not pursue my investigations along those lines. This had to do with business the Government was interested in, and I did not want to do anything that would hurt the company.

HON. MR. BIGGS: What I had in mind was, if they established a connection with a chartered bank it would have a detrimental influence on the Ontario Savings Agency.

HON. MR. PRICE: I do not think they have been able to do it.

MR. NASH: They informed me they have tried.

HON. MR. PRICE: Does anyone want to ask Mr. Nash any other question? I think it might be advisable to have this put in as an Exhibit, as it is rather important information, and when you get the Journals you will be able to read it.

(The following is the report referred to in the evidence of Mr. A. E. Nash, on the preceding pages.)

Toronto, Ont., 23rd March, 1925.

THE HONOURABLE W. H. PRICE, K.C.,
Provincial Treasurer,
Province of Ontario,
Toronto.

Re Savings Assurance Agency, Limited.

Sir:

Acting under a resolution of the Public Accounts Committee, dated 17th April, 1924, we have made an examination of the books and records of the Savings Assurance Agency, Limited, and report as follows:

On 18th May, 1922, the Provincial Treasurer of the Province of Ontario entered into an agreement with Messrs. Vivian T. Bartram and Douglas K. Ridout whereby the latter parties (called in the agreement the contractors) agreed to put before the public in conjunction with the Province of Ontario Savings Offices, a combined scheme of savings and insurance. This agreement set out the rights and duties of the Province and of the contractors and laid down certain regulations under which the contractors were to carry on the scheme. While this document was executed we understand from Mr. M. E. Mackenzie, Director of the Government Savings Offices, that it never became operative and this is borne out by a letter dated 3rd August, 1922 (Exhibit No. 1, attached), in which the Provincial Treasurer authorized Mr. Ridout to proceed with the Assured Savings plan, but laid down certain conditions to be observed by him, and stated that no exclusive right in connection with this or any similar plan was granted to him (although this privilege had been given in the agreement of 18th May, 1922). It was apparently under the authority of this letter that Mr. Ridout and the company which he had formed—The Savings Assurance Agency, Limited,—actually commenced operations.

The Savings Assurance Agency, Limited, was incorporated under Letters Patent of the Province of Ontario, dated 6th June, 1922, with an authorized capital of \$1,000,000. The provisional directors, each holding one share of the capital stock, were as follows:

E. E. Wallace, J. A. Ryan and A. H. J. Swencisky.

The permanent directors, elected 22nd June, 1922, were: V. T. Bartram, President; A. H. Britton and D. K. Ridout. Mr. D. K. Ridout was appointed Managing Director.

Under an agreement dated 22nd June, 1922, the company acquired from Messrs. V. T. Bartram and D. K. Ridout their rights under the agreement of 18th May, 1922, and presumably, therefore, their rights under the letter from the Provincial Treasurer, dated 3rd August, 1922. The consideration given to Messrs. Bartram and Ridout was the payment of \$15,500 and the issue of 9,995 shares of the common stock of the company. The directors' minute book (8th March, 1923), indicates that Mr. Bartram later assigned his interest in this arrangement to D. K. Ridout and A. H. Britton.

Under an agreement dated 2nd March, 1923, Messrs. Ridout and Britton donated to the company 1,000 shares of the common stock of the company held by them. Those shares were by a special by-law created Preference Shares, having a fixed cumulative preference dividend of seven per cent. The president of the company advises us, however, that none of these shares have since been issued.

On 18th July, 1922, Mr. Bartram resigned as president, and on 8th March, 1923, the directors voted him a gratuity of \$8,200, "in remuneration of his services to the company." Mr. A. H. Britton succeeded Mr. Bartram as president and Mr. Edward Irvine took his place on the board of directors.

The common stock of the company is shown by its records to have been issued and to be held as follows:

A. H. Britton.....	2,499 shares.
D. K. Ridout.....	3,998 "
Ed. Irvine.....	1,500 "
D. A. Ridout.....	1 share
A. B. Mortimer.....	1 "
W. W. Emerson.....	1 "
A. H. Britton } D. K. Ridout } Ed. Irvine }	1,000 shares held jointly.
<hr/>	
9,000 shares.	

We have seen two letters dated 14th March, 1924, signed by Mr. Irvine, transferring to D. K. Ridout the 1,500 shares held by him and assigning to D. K. Ridout all his interest in the 1,000 shares held by him jointly with Messrs. Britton and Ridout. We are informed by Mr. A. H. Britton that he and Mr. Ridout have purchased Mr. Irvine's interest in the company for a consideration of \$9,000.

Of the consideration of \$15,000 payable to Messrs. Bartram and Ridout under the agreement of 22nd June, 1922, \$8,026.69 has been paid by the company at various times. Payments were made as follows:

To V. T. Bartram.....	\$2,000 00
D. K. Ridout.....	2,750 00
A. H. Britton.....	2,750 00
Ed. Irvine.....	415 00
R. C. S. Boulton.....	111 25
Balance unpaid.....	6,973 31
<hr/>	
\$15,000 00	

In addition, \$4,375.15 was paid through Mr. Bartram for expenses incurred by himself and Messrs. Ridout and Britton prior to the company's incorporation, and in remuneration of these gentlemen.

On the \$8,000 voted to Mr. Bartram on 8th March, 1923, \$6,000 has been paid up to the present time, leaving a balance of \$2,200 at Mr. Bartram's credit on the books of the company.

The general scheme as put into effect by the contractors (and by the company they incorporated) was one whereby the accepted applicant undertook to deposit monthly in the Provincial Savings Office most convenient to him, an amount which would be sufficient to pay the premium on a straight life participating insurance policy of \$1,000 and leave a balance which compounded at four

per cent. half-yearly (the rate then paid by the Government Savings Offices), would amount in ten years to \$1,000, plus any dividends received from the insurance company.

Contracts were entered into by the Agency whereby the insurance so written was placed with the following insurance companies:

Continental Life Insurance Company. First business submitted 10th July, 1922.
London and Scottish Assurance Corporation. First business submitted 10th July, 1922.

Standard Life Assurance Company. First business submitted 10th July, 1922.
Crown Life Insurance Company. First business submitted 20th August, 1922.
Commonwealth Life and Accident Insurance Company. First business submitted 11th September, 1922.

Excelsior Life Insurance Company. First business submitted 4th December, 1922.

National Life Assurance Company. First business submitted 13th December, 1922.

The general form of contract used provided that the agency should solicit business throughout the Province of Ontario and that the insurance company should authorize the Province of Ontario Savings Office to pay to the agency all premiums on business written by the agency and accepted by the company.

The rates of commission granted to the agency were as follows:

On first year premiums (maximum commissions limited to \$20.00 per \$1,000 insurance written).....	70-80 per cent.
On second year premiums.....	10-15 per cent.
On premiums for third to tenth year inclusive.....	5 per cent.

In some cases the commission stated above were subject to a certain amount of business being written and other minor amendments were provided for.

In the case of the Commonwealth Insurance Company the agency guaranteed the payment of first year premiums in full, and in return were granted a rate of 80 per cent. on first year business. The premiums paid by the agency under this guarantee amounted to \$4,107.77. Mr. Britton informs us that the agency was requested to add the Commonwealth Life Insurance Company to its list. This company handled almost the whole of the business written in the Hamilton district and Mr. Britton informs us that this was done because the head office of the insurance company was in Hamilton and settlement could be made more promptly.

It appears to have been the intention of the Provincial Treasurer that as many insurance companies as possible should be associated with the Savings Insurance plan. This is indicated in his letter of 3rd August, 1922 (Exhibit No. 1, attached), and in a letter to the agency dated 22nd November, 1922, in which he complains that comparatively few insurance companies have come in, and threatens to suspend the scheme unless further companies participate. In addition to those companies with which contracts were actually made the agency appears to have had correspondence with the following:

Ontario Equitable and Accident Insurance Company.
New York Life Insurance Company.
Empire Life Insurance Company.

Under the Assured Savings plan the Savings Assurance Agency from June, 1922, to date have received a total of 11,502 applications for insurance, representing a total insurance of \$15,473,000 (Exhibit No. 2, attached). Of this

total the amount accepted by the insurance companies and representing the total insurance in force on 31st October, 1924, was \$10,287,000, divided among the several insurance companies as follows:

Commonwealth.....	\$1,361,500 00
Crown.....	2,517,500 00
Continental.....	1,258,000 00
Excelsior.....	1,666,500 00
London & Scottish.....	1,378,500 00
National.....	988,000 00
Standard.....	1,117,000 00
	<hr/>
	\$10,287,000 00

The amount in force on 5th January, 1925, was \$9,358,500.00 (Exhibit No. 3, attached), representing an annual premium of \$270,666.95, or an average premium of \$28.92 per \$1,000.

Deposits made by the insured with the Government Savings Offices amounted during the period June, 1922, to 31st October, 1924, to \$1,253,153.22, out of which sums to the amount of \$565,020.47 were paid either as premiums to the agency or refunded to parties who had discontinued the scheme, leaving a balance of \$688,132.75 to the credit of the insured in the Provincial Savings Bank.

The company's revenue from commissions (September, 1922, to December, 1924), amounted to \$240,190.71, divided as follows:

Assured Savings Plan—

Commissions on 1st year premiums.....	\$219,155 06	
Commission on 2nd year premiums.....	17,120 75	
Commission on 3rd year premiums.....	3,336 96	
	<hr/>	\$239,612 77

Straight Insurance—

Commission on 1st year premiums.....	\$73 45	
Commission on 2nd year premiums.....	199 69	
Commission on 3rd year premiums.....	304 80	
	<hr/>	577 94

Total revenue from commissions..... \$240,190 71

In certain cases, where an accepted applicant under the Assured Savings plan found himself unable to keep up his monthly deposits, but desired to maintain his insurance, the company agreed to change his contract to one of straight insurance. As a result of cancellations effected in this way the company had on its books at December 31st, 1924, some \$300,000 of straight insurance. In these cases it collected premiums directly from the assured and received a commission from the insurance companies. With this exception the company's sole source of income was the commission deducted by it from premiums collected by the Government Savings Offices.

In a number of cases where the assured was unable to keep up the payments required under the scheme and the contract was cancelled, the agency collected small amounts to reimburse it for its time and trouble, the total of such amounts being \$427.47. Mr. Britton informs us that in all such cases the assured paid the amount without demur and that no pressure or improper measures were used to collect.

The general system of handling cash received was as follows:

The insured parties deposited their monthly payments in the branch of the Provincial Savings Office most convenient to them. Upon the company receiving notification from the branch bank of such deposits a demand was made upon the bank for the amount required to pay the premium. (The first year's premium was payable in instalments, the second and succeeding years as a single amount.) These amounts were then transferred from the branch banks to an account kept by the agency in the Dundas and University Avenue branch of the Government Savings Office. From this account funds were transferred to the company's bankers as required by the company.

We did not check all the transfers made from the different savings branches to the credit of the company's account in the University Avenue branch, as this work was done from time to time by the company's auditor and it would take a great deal of time to do it again on account of the great number of transactions involved. We have, however, tested the amounts transferred from several of the different branches to the University Avenue branch and carefully compared the amounts transferred from the University Avenue branch with the deposits in the company's bank account. In no case have we found any discrepancy between the amount withdrawn and the amount redeposited.

In certain cases the monthly payments made by the insured were paid directly to the company, but the officials assure us that in all such cases the moneys were promptly deposited to the credit of the assured in the Provincial Savings Office and we have not discovered any cases to the contrary. In all other cases deposits were made by the assured direct to the savings offices.

In order to bring the Assured Savings plan to the notice of the public the company advertised fairly extensively. This advertising was done by means of circulars, pamphlets, newspapers, advertising, etc. We understand that all advertising matter used by the company and all feature advertising were passed upon by Mr. M. E. McKenzie, Manager of the Ontario Government Savings Office, but Mr. McKenzie informs us that some advertisements appeared and advertising matter was published without his authority and that in such cases he instructed the agency to cancel same.

The form of the applications used by the assured appears to have been approved by a committee appointed by the Government and, Mr. Britton informs us, O.K.'d by Mr. J. W. Curry, M.L.A., and Hon. W. E. Raney, K.C. All agents appointed by the company to solicit and write business were appointed subject to the approval of Mr. McKenzie. From an examination of certain correspondence in the files of the company it would appear that complaints were received from time to time both from the Government and from outside parties that certain of these agents made improper representations to the public by stating that the Government was in some way or other subscribing to the insurance side of the Assured Savings plan. In this connection it may be noted that clause 9 of the undertaking signed by each applicant under the plan reads as follows:

"I understand and agree that as between the life insurance company which is issuing insurance and the Government of Ontario, which is issuing the savings passbook, each of which is interested in the said plan, neither one of them is in any way responsible for the carrying out of the terms of said plan by the other."

This point and the general question of the responsibility of the Government for the scheme is fully covered in the report made to the Government by Mr. V. Evan Gray, to which we refer below.

On 10th October, 1922, Mr. V. Evan Gray, Superintendent of Insurance for the Province, made a report to the Treasurer of Ontario on the Assured Savings scheme, commenting upon its advantages and disadvantages. The report generally was unfavourable to the scheme, but while Mr. Gray favoured the discontinuing of the whole enterprise he also made certain suggestions for its improvement if it were to be gone ahead with.

During its first year of operations (June, 1922 to June 30th, 1923), the company showed a total loss of \$52,338.32; the commissions collected being entirely insufficient to meet the heavy commissions payable to agents and other expenses. The succeeding year showed a profit of \$8,528.75 and the four-month period, July 1st to October 31st, 1924, a profit of \$2,810.31. Consequently, from the date it commenced operations to that on which it ceased writing new policies under the Assured Savings plan the company's books show a net loss of \$40,999.26.

As a result of these losses the company was compelled to borrow both from its bankers, from Mr. J. P. Tisdall, and from Messrs. Britton and Ridout. During the past year, a period when the volume of new business has been falling off, the company's indebtedness to the insurance companies has been steadily increasing. At 31st December, 1924, the total liability to insurance companies amounted to \$41,903.74. The indebtedness to the bank on the same date stood at \$17,700 and to Mr. Tisdall \$2,800. Since that date Mr. A. H. Britton has advanced to the company \$15,000 and Mr. D. K. Ridout \$5,000, which amounts have been used to reduce the indebtedness to the insurance companies.

The only loans made to the company by Mr. Britton other than that made during the present year were made by him jointly with Mr. Ridout during 1922, and have since been paid off. A condensed statement of Mr. Ridout's loan account follows:

30th August, 1923.....	Loan	\$5,000 00	
August-October.....	Repayments	\$5,000 00	
10th December, 1923.....	Loan		5,000 00
February-May, 1924.....	Repayments	4,100 00	
22nd May, 1924.....	Loan		1,500 00
June.....	Repayments	1,000 00	
21st June, 1924.....	Loan		1,400 00
July-December, 1924.....	Repayments	7,189 00	
January, 1925.....	Loan		5,000 00
Present balance due Mr. Ridout.....		611 00	
		<u>\$17,900 00</u>	<u>\$17,900 00</u>

At a meeting of the directors of the company on 27th July, 1923, an arrangement was made to pay to Mr. Ridout all commissions payable then or in the future on renewal premiums under the Assured Savings plan in consideration of advances made by Mr. Ridout to the company, but Mr. Britton informs us that this agreement was not acted upon.

The expenses of the company included commission paid to agents at a rate varying from \$6 to \$8 per \$1,000. Insurance written. We have carefully scrutinized all payments made under this head. The total commission paid to agents is as follows:

June, 1922—June, 1924.....	\$56,737 15
July, 1923—June, 1924.....	50,894 66
July, 1924—October 31st, 1924.....	11,362 92
	<u>\$118,994 73</u>

During the first year of operation the following salaries were paid:

Ed. Irvine (Sales Manager).....	\$8,025 00
D. K. Ridout (Managing Director).....	5,200 00
A. H. Britton (President).....	2,600 00
V. T. Bartram (Special remuneration as above)	8,200 00

Mr. Britton and Mr. Ridout have drawn no salaries since 30th June, 1923. During the year ending 30th June, 1924, Mr. Irvine received a salary of \$4,482.54.

The total salaries paid from the commencement of business up to 31st October, 1924, are as follows:

June, 1922—30th June, 1923.....	\$39,323 72
July, 1923—30th June, 1924.....	31,295 21
July, 1924—31st October, 1924.....	6,557 50

\$77,176 43

We have made an analysis of the cash receipts and payments of the company from the date of its inception to 31st December, 1924. We have examined all payments made, particularly those to agents. We have also scrutinized the correspondence files and have received an explanation for all payments of any substantial amount.

On 31st October, 1924, the company received a notification from the Provincial Treasurer's Department to cease writing policies under the Assured Savings plan and since that date no policies of this type have been written, with the exception of those referred to in Exhibit No. 2, totalling \$8,500, which the company's officials inform us had been contracted for prior to the receipt of the Government's instruction.

Yours respectfully,

(Sgd.) CLARKSON, GORDON & DILWORTH.

(COPY)

Exhibit I

DEPARTMENT OF THE TREASURER OF ONTARIO.

OFFICE OF THE MINISTER.

Toronto, Ont., Aug. 3, 1922.

D. K. RIDOUT, ESQ.,
Union Bank Building,
Cor. King and Bay Sts.,
Toronto, Ont.

Dear Sir:

Referring to our recent discussions in connection with the Assured Savings Plan, I now beg to inform you that subject to the following conditions you may proceed with the Assured Savings Plan, as outlined to me, in conjunction with the Province of Ontario Savings Office.

1. The insurance must not be confined to any particular Company.

Any company operating in Ontario and in good standing must be allowed to participate if they so wish.

2. It is also the wish of the Government that each applicant may be allowed the privilege of selecting his or her insurance company.
3. It is further understood that the Government in accepting this Plan

is by no means granting The Assured Savings Agency, Limited, the exclusive right in connection with this or any similar plan.

Yours very truly,

"P. SMITH,"

Provincial Treasurer.

Exhibit II.

PROVINCE OF ONTARIO, PUBLIC ACCOUNTS COMMITTEE.

SAVINGS ASSURANCE AGENCY—BUSINESS WRITTEN UNDER THE ASSURED SAVINGS PLAN.

	Month	Cumulative Total	Monthly Total	Toronto	Outside
1922	June 19-Aug. 31...	\$1,951,000	\$1,951,000	\$1,497,000	\$454,000
	September.....	2,788,500	837,500	408,000	429,500
	October.....	3,601,500	813,000	406,500	406,500
	November.....	4,357,500	756,000	355,500	400,500
	December.....	4,802,000	444,500	225,500	219,000
	Total, 1922...		\$4,802,000	\$2,892,500	\$1,909,500
1923	January.....	\$5,280,000	\$478,000	\$272,000	\$206,000
	February.....	5,779,500	499,500	324,500	175,000
	March.....	6,227,000	447,500	324,000	123,500
	April.....	6,625,000	398,000	216,500	181,500
	May.....	7,175,000	550,000	358,000	192,000
	June.....	7,856,500	681,500	356,500	325,000
	July.....	8,403,000	546,500	348,000	198,500
	August.....	8,942,500	539,500	262,000	277,500
	September.....	9,651,500	709,000	335,500	373,500
	October.....	10,408,500	757,000	451,000	306,000
	November.....	11,042,500	634,000	380,000	254,000
	December.....	11,339,000	296,500	162,500	134,000
	Total, 1923...		\$6,537,000	\$3,790,500	\$2,746,500
1924	January.....	\$11,825,500	\$486,500	\$338,500	\$148,000
	February.....	12,381,500	556,000	361,000	195,000
	March.....	12,888,500	507,000	364,500	142,500
	April.....	13,238,000	349,500	234,500	115,000
	May.....	13,823,500	585,500	135,000	450,500
	June.....	14,214,500	391,000	136,000	255,000
	July.....	14,849,000	634,500	179,500	455,000
	August.....	15,107,000	258,000	65,000	193,000
	September.....	15,268,500	161,500	77,500	84,000
	October.....	15,464,500	196,000	82,000	114,000
	Total, 1924...		\$4,125,500	\$1,973,500	\$2,152,000
	GRAND TOTAL.		\$15,464,500	\$8,656,500	\$6,808,000

Month	Monthly Total
1924 November.....	1,000
December.....	5,000
1925 January.....	1,500
February.....	1,000
	<hr/>
	\$15,473,000

Exhibit III

PROVINCE OF ONTARIO, PUBLIC ACCOUNTS COMMITTEE.

SAVINGS ASSURANCE AGENCY, LIMITED.

INSURANCE IN FORCE JANUARY 5TH, 1925—(ASSURED SAVINGS PLAN).

Company	Insurance	Annual Premium
Commonwealth.....	\$1,229,000 00	\$36,386 10
Crown.....	2,277,500 00	67,829 00
Continental.....	1,159,000 00	33,414 21
Excelsior.....	1,469,000 00	36,803 09
London & Scottish.....	1,284,000 00	39,638 75
National.....	899,500 00	24,797 94
Standard.....	1,040,500 00	31,797 86
	<hr/>	<hr/>
	\$9,358,500 00	\$270,666 95

Evidence of George R. Harris, before the Public Accounts Committee, of the Ontario Legislature, on the 9th day of April, 1925.

GEORGE R. HARRIS, sworn.

By HON. MR. PRICE.

Q.—Mr. Harris, you were before this Committee last year?

A.—Yes, sir.

Q.—On the various matters connected with the Provincial Securities Company and the various Harris companies?

A.—Yes.

Q.—And you gave evidence which showed that the Provincial Securities Company had made a profit of over \$30,000 in their transactions?

A.—Approximately so.

Q.—I am not getting down to the exact figures, over \$30,000 in their transactions in the purchase and re-sale of Government bonds?

A.—Yes, sir.

Q.—Will you just speak up, Mr. Harris, so all the members of the Committee will hear you. Well now, you will remember also that at the close of the session of the Public Accounts Committee, the Auditor was asked to get further information and go further into your books and papers?

A.—Yes.

Q.—And he has made a report to the Committee covering the disposition of the \$30,000, how that was withdrawn in bonds and otherwise. Did you

have a talk with Mr. Nash and his representative and confer with him when he was going over your books?

A.—Before or after the Public Accounts?

Q.—After the Public Accounts Committee met?

A.—I was with Mr. Nash several times, I don't know whether before, or during the time, or afterwards.

Q.—You remember whether it was after the Public Accounts Committee rose last year, don't you?

A.—I am sure it was before, Mr. Price, but I may have been up to his office afterwards, going over some explanations of certain matters. I would not be positive whether it occurred before or after. I know it occurred two or three times.

Q.—Well now, Mr. Harris, your memory on these things has not been very good. Last year your evidence before the Committee was not such as commended itself to the Committee, and I would like this year, when you are giving evidence—I do not propose to examine you at any great length, because there are only two or three things I want to ask you, for the information of the Committee—to give us exactly what you know, give the Committee the whole story, and what the whole situation is. I am going to ask the Committee to bear with me for a few minutes until I run over Mr. Harris' evidence which is now before the Committee and then we will go ahead and cover the matter to-day. Mr. Harris, you remember there were several companies, one was Morgan, Dean, Harris Company, and one was Morgan, Dean, Harris & Mulvaney, and there was another Harris company—there were a series of companies. Let us see what Mr. Harris said when he gave evidence. If the honourable members will pay attention to this, I would like to place before them exactly what Mr. Harris said when he gave evidence before the Committee. He contended that he purchased under one name and sold under another (at page 316, on March 24th), and also continued and said that Morgan, Dean, Harris & Mulvaney issued their cheques in payment for the bonds. Now, we have the cheques proving that they paid for them (at page 336 of the evidence).

Now then we come to the formation of the Provincial Securities Company. You remember this is the Company that handled the transactions with the Government, they handled the Province of Ontario bonds, and later on in the evidence he stated that the Provincial Securities Company went out of business when the last order was received from the Government, and he knew there were no more. That will be found at page 308, March 24th, and also page 50. I am pointing out he swears one thing at one time, and another thing at another. Then Morgan, Dean, Harris & Mulvaney Company were out of business, Harris continually stated—that Morgan, Dean, Harris & Mulvaney, Limited, were absolutely out of business, and could not transact business (page 375 in the Journals of the House) and yet in later evidence he admitted they bought half a million dollars in bonds from the representative of the Provincial Securities. When asked later on how he could reconcile this conflicting statement he was unable to answer. (Pages 80 and 81, March 31st.)

Re division of profits, let us see what Mr. Harris says. (At page 373.) He stated that the Morgan, Dean, Harris & Mulvaney, Limited, participated to a certain extent and some of the profits were paid into the firm. Later, at page 74, March 31st, when asked if Morgan, Dean, Harris & Mulvaney participated in the profits, he said no. At page 63 he says he paid \$6,500 to the Merchants Bank to be applied to the credit of Morgan, Dean, Harris & Mulvaney. He takes three or four different positions on the same thing.

Let us get to the Browning account, re A. G. Browning interest. Harris denied Browning participated in the profits, and stated Browning had no interest in the companies in which his name, Browning, occurred. That is at pages 357-358. But, at a later date, he stated Mr. Browning borrowed \$5,000 and repaid it, so that he put it back into the business. (Page 146 of the evidence.)

We come to the Beaver Truck Company. Harris stated in his evidence he did not know anything about the transactions of the Beaver Truck, but later on stated he was still liable to the Union Bank for that debt. That is page 82.

Then we come to advertising, re purchase of Succession Duty Free Bonds. Harris stated that he was not aware of having put any advertising in the papers but at a later date admitted having instructed Corley, Gordon, King & Company to advertise. Mr. Harris remembers all these things: first at page 57, March 31st, and second at page 131, April 17th.

Then re \$5,000 loan to A. G. Browning. Harris stated that the loan to his father-in-law came from the profits of the Provincial Securities Company, and that he paid the amount to Mr. Browning by cheque. In later evidence he stated he had since found out, while Mr. Browning got \$5,000, it might have been in an indirect way and not actually out of the profit. That is pages 65 and 66, March 31st, last year. As a matter of fact there was one cheque for \$2,000 paid to Mr. Browning on the 23rd of September, 1921, one for \$650, and one for \$350 paid on the 18th September, making a total of \$3,000.

Harris produced a demand note dated 18th December, 1923, for \$5,000, signed by A. G. Browning, and memorandum said to be made by Browning showing he had received \$4,990 in November and December, 1921.

Now, we had Mr. Caldwell before the Committee yesterday. Harris said \$4,000 of the profits of the Provincial Securities Company went to Mr. Caldwell. (That is page 66, of March 31st, and page 7 of the prior report, which Mr. Nash brought in.)

There is a memo here as we were shown yesterday, showing \$1,900 being paid in 1922. This matter was in 1921, January to September. The loan of \$4,000 appears to be made by Browning, Harris, Northey & Company as shown in Exhibit 190 of the Public Accounts Committee. In the other case the loan was made in 1922, and not from the profits of the Provincial Securities Company.

Re disposition of the profits of the Provincial Securities Company. What do we find? Harris said in his evidence that he either gave the bond, representing the profits, made by Provincial Securities to his wife, or kept one himself, and added that no one was aware of it, and he denied that Biggs or anybody else connected with the Government shared in it. This appears at pages 69 and 70, April 7th.

In all of these cases you will see Harris states one thing and when confronted with something which shows that it does not correspond with the facts, the known facts, he changes his position. I thought it fair to the Committee and to Mr. Harris just to give this resume of these various things, so Mr. Harris can see why the Committee thought his evidence last year very unsatisfactory.

Now, Mr. Harris, I want you, in giving your evidence before the Committee this year, to be positive, if you can, about things. And where you referred to this \$30,000 profit, I want you to say just what happened.

THE CHAIRMAN: He is asking a question.

HON. MR. PRICE: Are you in a position, Mr. Harris, to trace this \$30,000, or over \$30,000 profit made by the Provincial Securities Company, trace where it went?

A.—Not by detail. I have not seen, Mr. Price, any of our books since the Committee was here last year.

Q.—Mr. Nash says that he had several conferences with you after the Committee rose.

A.—Perhaps a week after.

Q.—For the purpose of settling these things and getting information. Is it fair, Mr. Harris, to say that you had been down to Mr. Clarkson's office on a number of occasions to consult these books on other matters?

A.—I did go down there, sir.

Q.—And your partner?

A.—Possibly on matters they wanted information concerning other accounts.

Q.—There is no reason why you could not consult them on this transaction?

A.—Not a bit.

Q.—What was your idea, Mr. Harris, in taking this \$30,000 and turning it into bonds and still leaving the bonds with the Bank of Toronto?

A.—Only, I was dealing in bonds, and it would be most reasonable to assume that I put the money in bonds.

Q.—You were dealing in bonds, and instead of drawing out this cash or transferring it to your own account or any of your companies, you invested it in bonds, various bonds?

A.—Yes, sir.

Q.—And when you wanted to draw these bonds out, you signed for them at the Bank of Montreal?

A.—In some cases I think I did. I am not positive I signed for all of the bonds.

Q.—You may have got some out without signing?

A.—Either that or they might have been sent to me.

Q.—They might have been sent at your request?

A.—Yes.

Q.—Would there be a draft attached or not?

A.—It might have been.

Q.—Let us take two or three instances in connection with these investments. This is the security ledger or day book of the Browning, Harris, Northey & Company securities, it being from May 5th, 1921. Can you tell me who made up this book?

A.—Not without referring to it.

Q.—Just take a look at it from the beginning and see who it was made the entries in the book. That is your handwriting at the beginning?

A.—It is my handwriting up to the first twenty-one, whatever the transaction be at page 9, with the exception of the one at the bottom.

Q.—Up to page 9 is your handwriting?

A.—Yes.

Q.—From page 9 on, whose handwriting?

A.—Up to page 9, those are all up to May 5th and two on May 7th. From then on it is in the writing of one of the young ladies in our office.

Q.—What is her name?

A.—It was Miss Thompson. She is married now. She lives in Smith's Falls.

Q.—She was employed by you, and one of her duties was the keeping of this book? Just answer that.

A.—Yes.

Q.—Where did she live then?

A.—Hamilton.

Q.—How long was she employed by you?

A.—Two or three years, I think, I am not absolutely certain.

Q.—This was the security day book of your firm? Now you do not need to think about it for half an hour.

A.—I do need to think. This book shows no entries from our bookkeeper to our ledgers.

Q.—What is this book?

A.—That is what I am trying to fathom.

Q.—It is your book?

A.—Yes.

Q.—It is not the Committee's book?

A.—No.

BY HON. MR. MCCREA:

Q.—Look at the cover, can you tell what book?

A.—Browning, Harris, Northey Company, securities day book, two different words, not one.

BY HON. MR. PRICE:

Q.—Securities day book?

A.—List of securities.

Q.—A day book showing entries from day to day in a securities day book?

BY HON. MR. MCCREA:

Q.—What was securities put on for?

A.—To show the transactions in the book. If the entries were made from this book to the ledger our bookkeeper would have to follow the folio number or some initial to show they were entered.

Q.—What about the numbers there? Look at some of the numbers.

A.—These numbers here? They are only the number of the sales card, so many sales and so many purchases.

BY HON. MR. PRICE:

Q.—These numbers are in the ledger, Mr. Nash says?

A.—They may be in the ledger corresponding to the number of the sale. These sales started off at No. 1, and these were the first numbers that were put through the Browning, Harris, Northey books.

Q.—Does the day book show how these securities were handled?

A.—Why was it discontinued in November?

Q.—You do not seem to know an awful lot about it.

A.—I do not know much about it myself. This entry on the 5th of May, that was the first day Browning, Harris, Northey Company started business. That is the day our books were opened. I am saying this from memory. As far as I remember it was the first or second one from the old firm, from Harris, Mulvaney, and which was given to us when we started business in our own name. All these entries in my own writing were an accumulation of orders that possibly some of the salesmen had received previous to the time we started business, or possibly that Northey and myself had obtained. That is why it is in my writing.

Q.—What did you put them in there for?

A.—As a memo for them when I started the book, so we could have the transactions entered as they were.

Q.—Transactions that you had at the time? You were taking them over from the other firm and you were keeping a record. Do you mean to say these

folios are also shown in the ledger, and do you mean to say that this entry here corresponds with a similar entry in the ledger?

A.—These entries—

Q.—Let us have what you have to say about this. Are these entries false or not? Answer the question. Is it false or not?

A.—No, they are not false.

Q.—Do not quibble, answer the question, is it false or is it not?

A.—Both. Some of the entries are O.K. and some are not.

Q.—You say now you have a book that is some good and some not?

A.—It all depends what you mean by false.

Q.—You started it?

A.—Yes.

Q.—You are admitting to the Committee you made false entries in that book?

A.—I won't admit I made false entries.

Q.—What entries are false? Go on now, get down to something definite, what is false and what is not?

A.—There are some entries that do not show the true condition of affairs as far as some of the accounts are concerned.

Q.—What did you put them in for? What did you leave something out of that or put something in that was not the true transaction?

A.—I wrote them down purely as a matter of convenience to myself, as a matter of transferring bonds.

By HON. MR. McCREA:

Q.—Knowing they were false?

A.—No, various reasons.

Q.—Why did you put them down?

A.—As a convenience to myself.

Q.—Were they true or false when you put them down?

By THE CHAIRMAN: Tell the truth.

By HON. MR. McCREA:

Q.—Were they true or false?

A.—If they do not represent the condition they must have been false.

Q.—Were they true or were they false? Harris, you understand English.

A.—They do not represent what they were supposed to represent.

Q.—They were false?

A.—They were according to your view.

Q.—What were false?

A.—Some entries in the book.

Q.—State what entries in your handwriting are false.

A.—This first one relating to Mr. Biggs, 4,000.

Q.—The very first entry in your book is false. Next?

A.—The one for 3,000 Winnipeg.

Q.—The first one in Mr. Biggs' name is false?

A.—As far as I can make out.

Q.—Is the second entry false?

A.—It might be.

Q.—Is it?

A.—I don't know some of these things, I can't tell you from memory.

Q.—You do tell the Committee that this book produced as your book does contain false entries. Why were entries entered as false? Why were false entries put in the book in your own handwriting?

A.—Simply as a matter of convenience to myself in transferring bonds from one company to another.

Q.—Was it to mislead yourself that you entered them falsely?

A.—To mislead myself?

Q.—Yes.

A.—Not necessarily.

Q.—What was the purpose of entering false items? What was your object in putting something in the book that was not true?

A.—To transfer the bonds from one account to the other.

Q.—What was the object in putting it in as a false entry? Why should you state something that was false instead of something that was true when you made the entry?

A.—These were my books, I could do as I pleased with them.

Q.—The first item in the books is with reference to Mr. Biggs, and it is false?

A.—It is not a correct transaction as far as Mr. Biggs is concerned.

Q.—Is the next item that appears in the books as far as Mr. Biggs is concerned?

A.—I don't think so.

BY HON. MR. PRICE:

Q.—What is the next item?

A.—Three thousand, Winnipeg.

Q.—When is the next item in the book with reference to Mr. Biggs?

A.—I can't tell you.

Q.—Look.

A.—The next is an entry for Alberta and Great Waterways.

Q.—I am speaking with reference to Mr. Biggs.

A.—I am speaking of Mr. Biggs here.

Q.—Is that false?

A.—I can't tell you.

Q.—What is the next entry?

A.—Mr. Biggs bought some Arcade.

BY HON. MR. PRICE:

Q.—Why can you not say about the third entry with the same certainty as the other?

BY HON. MR. MCCREA:

Q.—They are all false?

A.—They are not all false.

Q.—Some of these entries do not represent the true state of affairs. We want you to tell the Committee the truth.

A.—I am telling you the truth.

Q.—I do not believe you are. I want to know from you, for the benefit of the Committee again, why you should put false entries in your ordinary books of business?

A.—Well I have just—these were my books, and I could do as I pleased with them when I had them.

BY THE CHAIRMAN:

Q.—Is that the attitude you want to take?

A.—Mr. Finlayson, I haven't seen these things for five years.

Q.—You want to tell the Committee you started the books in your own handwriting for a new firm with a deliberate false entry at the beginning?

A.—I had no intention of making a false entry.

Q.—The first item you set out in a new set of books for a new firm, you set down a false entry regarding Mr. Biggs?

A.—That does not represent—that is not quite correct.

Q.—Did you start your own bookkeeping in your own handwriting with a false entry relating to Mr. Biggs?

A.—Yes.

Q.—What was the intention? Who did you want to deceive?

A.—I wanted to deceive nobody.

Q.—Why should you make a false entry?

A.—Will you let me explain?

Q.—Why should you make a false entry in opening the books?

A.—It was a matter of transferring bonds.

Q.—From whom?

A.—Provincial Securities Company.

Q.—These were bonds from the Provincial Securities?

A.—Yes.

Q.—These were part of the profits of the Provincial Securities?

A.—The Winnipeg bonds represented profit.

Q.—The first entry represented a profit you made out of Government trading through the Provincial Securities Company?

A.—Bonds I bought with profits.

Q.—Why did you use Mr. Biggs' name in connection with the bonds?

A.—I had had transactions with Mr. Biggs.

Q.—Why did you use Mr. Biggs' name in connection with Provincial Securities profits?

A.—Simply to transfer the bonds over, from one company to my own possibly.

Q.—Why Mr. Biggs' name?

A.—Because I had considerable dealings on transactions with Mr. Biggs at that date.

Q.—Why did you use Mr. Biggs' name in connection with bonds you were transferring from Provincial Securities?

A.—I cannot answer any more than I am doing.

Q.—You will answer, you will find you are going to get yourself somewhere where you are going to answer in a different way. You admit making false entries in your own handwriting? Why did you use Mr. Biggs' name?

A.—I did not see anything wrong in it.

Q.—Perhaps you will find out later. I am asking why Mr. Biggs' name was used in connection with that?

A.—Merely as a matter of convenience to myself.

Q.—Why did you pick on his name?

A.—There are transactions going through under his name.

Q.—Why use Mr. Biggs' name in connection with this transaction disposing of profits from the Provincial Securities?

A.—There is no particular reason. I could have used anybody's name. I could have used Mr. Browning's or my wife's.

Q.—If you could have used your wife's, why use Mr. Biggs'?

A.—Mr. Biggs had bond transactions before.

Q.—Don't you see this, that was money you made out of the Government?

A.—He has Saskatchewan bonds representing it.

Q.—Representing profits dealing with the Government?

A.—Yes.

Q.—Mr. Biggs was a member of the Government?

A.—Yes.

Q.—Why did you use Mr. Biggs' name in connection with these profits from the Provincial Securities?

A.—I have no other answer than I have given you.

Q.—You have not given us any answer.

A.—Mr. Biggs bought bonds at that time.

Q.—Did Mr. Biggs buy these bonds or sell them?

A.—No.

Q.—Why did you put them down that way?

A.—To cover up bonds he did give me.

Q.—To cover up Provincial transactions?

A.—No.

BY HON. MR. PRICE:

Q.—Why did you have to cover it up if he was doing business in the ordinary way?

BY HON. MR. MCCREA:

Q.—What was the necessity for falsity?

A.—There was no necessity.

Q.—Why did you put down: Bought from F. C. Biggs, West Flamboro?

A.—They represent a certain amount of money.

Q.—Why did you put down: Bought from F. C. Biggs, West Flamboro, 4,000 Province of Saskatchewan 6 per cent. bonds \$3,920?

A.—It is beyond me; I cannot answer you. I cannot give you any more explanation than what I am giving.

Q.—You are not giving any.

A.—I am giving an explanation of the whole transaction.

Q.—I want to find out why you started bookkeeping in your own handwriting and show the name of Mr. Biggs as having bought from Mr. Biggs a number of securities, which had been made out of a deal with the Government?

A.—For convenience, for my own bookkeeping.

Q.—You do this: You had taken these bonds out of the Bank of Toronto the day before, and had them in your own hand. Why did you credit Mr. Biggs with this money?

A.—I had to get them to Toronto to my own bank or get them out of the bank in my possession.

Q.—You had them in the bank in your own possession? What day?

A.—The day before.

Q.—Why didn't you credit yourself? Did you pay Mr. Biggs that money?

A.—No, sir.

Q.—Did you pay him any money?

A.—No, sir.

Q.—Why did you put it down that way?

A.—I had a big transaction with Mr. Biggs at that time—as a matter of convenience to myself.

Q.—Mr. Biggs was a member of the Government and these bonds were made out of a trade with the Government, under the name of the Provincial Securities, wasn't it?

A.—Yes.

Q.—Yet we find you put them to the credit of Mr. Biggs, in your own handwriting?

A.—That memo shows that, that is all.

Q.—It shows you bought them from Mr. Biggs according to your own handwriting, and you say it is false?

A.—I say it is not correct.

Q.—That means it is false?

A.—It means the same thing.

Q.—Do you know what the effect of making a false entry in a book is?

A.—As far as it hurts anybody, they are my books.

Q.—There is a provision in the Criminal Code for people who make false entries in books. Do you want to take that stand that that is a false entry, the whole statement is deliberately false?

A.—No, the whole statement was not deliberately false.

Q.—Is it understood you bought from F. C. Biggs?

A.—No.

Q.—You have to take one step or the other, first this entry is false and you have to take the consequences, or did you buy that from Biggs?

A.—No, these were not bought from Biggs.

Q.—Why did you put it down in your books?

A.—It was business for myself in transferring the bonds from one company to another.

Q.—Yet you start your books in your own handwriting with a deliberately false entry?

A.—That is the only inference you can draw.

Q.—That is?

A.—Unwittingly perhaps, yes.

Q.—It is your own handwriting, just opening up a new set of books, and do you want to tell the Committee and take the responsibility for stating you opened up a new set of books with a deliberately false statement?

A.—Not deliberately, it was unwittingly done.

Q.—Unwittingly, why?

A.—I did not think whether the statement was correct or false.

Q.—You admit it was false?

A.—I am telling you it is not true. It must be false.

BY THE HON. MR. PRICE:

Q.—Why did you destroy the ledger sheets?

A.—I destroyed no ledger sheets.

Q.—Why did you not produce them?

A.—The first time I knew they were missing Mr. Nash told me about them.

Q.—All of the ledger sheets showing Mr. Biggs' account are missing. How do you explain that?

A.—I explained that last year to the best of my ability I knew nothing about them.

Q.—You have a lot of things to explain, have you not? How is it in these various companies you have not got any of Mr. Biggs' ledger sheets, although you did a lot of business with him?

A.—I cannot tell you.

Q.—You have no explanation?

A.—No, absolutely none.

Q.—What you tell the Committee is you opened a book with false entry, or entry that is not true, which happens to be that of the purchase of bonds from Mr. Biggs. The first three entries: Province of Saskatchewan 4,000, City of Winnipeg 3,000, and 1,000 Alberta and Great Waterways is the third one?

A.—I cannot tell you.

Q.—You were not so positive about that. Then you sold F. C. Biggs, West Flamboro, charge account—This is charge account?

A.—Eight thousand 7½ per cent. bonds, Arcade, Limited, May 1st, 1923.

Q.—Is that false?

A.—No, that is true. Mr. Biggs bought those bonds.

Q.—You knew then when you get to something that does not come out of Provincial Securities it is not false?

A.—I knew when we were selling bonds at that time he bought something.

Q.—I am going to ask Mr. Nash, who has given his evidence, but you were not here, to give us the facts about the Grand Trunk Pacific 4 per cent. 1955 bonds. I want you to listen to what Mr. Nash has to say. He went through your books, and I want you to give your explanation. I will ask Mr. Nash to do that.

MR. NASH: On the 15th of March, 1921, Morgan Dean, Harris & Mulveny bought £800 of these 1955 bonds from Pritchard & Company, of New York, and on the 1st April, 1921, bought £5,000 of the same bonds from Harris, White & Company. On the 17th March, Provincial Securities purchased from Morgan, Dean & Harris the first block of £800. On the 5th April they purchased from Morgan, Dean & Harris the second block of £5,000.

At that time the Provincial Securities had the whole £5,800 Grand Trunk Pacific 1955 bonds. On the 8th April, 1921, £3,100 of these bonds were sold, and on the 27th September, 1921, £2,200 were sold—total sold £5,300, leaving in the Provincial Securities £500 of these bonds. That formed part of the bonds of the Provincial Securities which was given as collateral to the bank on the 21st of June, and which was the same block in amount of Grand Trunk Pacific which was released to George R. Harris under his signature on the 21st June, 1921, and on the 22nd June, 1921. This book of Browning, Harris, Northey & Company, shows a purchase of £500 from F. C. Biggs, at page 49.

BY HON. MR. PRICE:

Q.—You see, Mr. Harris, that is the transaction. Apparently on the 21st of June you drew from the Bank of Toronto your collateral loan of £500 of Grand Trunk Pacific, 4 per cent., and you signed for them?

MR. NASH: A search of the books shows no other purchase or sale or transaction in Grand Trunk Pacific bonds of any size anywhere near the dates I have mentioned.

BY HON. MR. PRICE:

Q.—Now, Mr. Harris, is it correct, as your signature shows, in the Bank of Toronto, that you withdrew these £500 of Grand Trunk Pacific bonds on June 21st, 1921?

A.—My signature is there, it must be correct.

Q.—You took bonds out of that amount on the 21st of June, 1921, and signed for them. Now then, your book shows here on the 22nd June, 1921, that your company, Browning, Harris, Northey & Company, bought from F. C. Biggs, £500 Grand Trunk Pacific 4 per cent., 1955, on the following day and the entry is as follows, in the securities day book of your company, of Browning, Harris, Northey & Company, the entry here: No. 160, Bought from F. C. Biggs, £500 Grand Trunk Pacific, 4 per cent. bonds, 1st April, 1955,—interest 82 days at 4 per cent. How would you compute interest if this was a phoney transaction? How would you compute interest to the day?

A.—All bond transactions going through would have interest added.

Q.—You would get orders and compute interest? You did not have these bonds, according to your story?

A.—I did not have them.

Q.—No, you did not have them before you. Do you want to say that is a correct transaction?

A.—No, it is not.

Q.—It is not a correct transaction?

A.—No.

Q.—You did not have the bonds before you when you were making the entries?

A.—I did not have to have the bonds before me.

Q.—You started to compute; you went so far as to decide somebody or yourself had bought these bonds and that you actually computed interest to the very day on these bonds that you did not have before you at the time?

A.—Just as the interest was computed on the Saskatchewans up to the date when it was made.

Q.—Did you have these bonds before you when you computed interest?

A.—I cannot tell you. It is not in my handwriting.

Q.—I suppose you are going to deny everything that is not in your handwriting?

A.—No, sir.

Q.—I suppose your stenographer—there was something wrong with her that she was making false entries?

A.—No.

Q.—Do you want to say this girl in your employ made false entries?

A.—No.

Q.—Did you tell her to make false entries?

A.—She must have made it from some record.

Q.—Do you mean to come here and tell this Committee you were asking this girl in your employ to make entries in this book that were false?

A.—No.

Q.—Were you there when she was doing this?

A.—I cannot tell you.

Q.—Did she compute this interest?

A.—I don't know.

BY MR. GRAVES:

Q.—How does he know it is false when he did not put it there?

WITNESS: That is one of the several entries that are not correct.

BY HON. MR. MCCREA:

Q.—These are Mr. Biggs' transactions?

A.—No. If this Committee will let me have a chance, without going into each individual item, I can explain it.

Q.—What I would like to find out from you, are you able to tell us to-day what transactions in this book you are prepared to swear are false?

A.—No, I am not.

Q.—Why did you immediately tell Mr. Price this handwriting, the handwriting of this young lady, at page 49 of the book, is a false entry? What information have you in your mind it is false?

BY MR. GRAVES:

Q.—Have you got a memo of these false entries?

HON. MR. PRICE: Mr. Nash in his search could find no other books.

BY HON. MR. PRICE:

Q.—Did you keep any memo of any false entries in anything else outside of the book Mr. Nash has submitted?

BY HON. MR. MCCREA:

Q.—What information have you for this Committee that that is a false entry?

A.—For the simple reason I know these bonds were never bought for Mr. Biggs.

Q.—That is what you started with, that you did not buy bonds for Mr. Biggs, and everything else has got to get out of the way to prove that is it, isn't it?

A.—Not necessarily. I know these bonds did not come from him.

BY MR. FISHER:

Q.—Did you get these bonds from Toronto? Did you take these bonds out of the bank in Toronto?

A.—Mr. Nash's evidence says I signed for them, I must have taken them. I don't know whether I took them that day.

Q.—Did you take them any time?

A.—I only have his evidence I did take them.

Q.—Do you mean to say whether you did or not?

A.—I can verify my signature.

Q.—What did you do with them when you took them?

BY HON. MR. MCCREA:

Q.—Assuming Mr. Nash is correct, that your signature is there, what did you do with them?

A.—Either brought them to my Hamilton office or retained them in my possession.

Q.—Did you have them in your possession at the time the entries were made?

A.—I cannot tell you absolutely. They were either in my possession or in the possession of the bank—in the bank in Hamilton.

Q.—You put them there I suppose?

A.—Yes, naturally I would.

Q.—So you had them either in your office or in the bank at that time?

A.—Yes, sir.

Q.—You have told us that you made these entries as a matter of convenience to yourself, that is what you said?

A.—Yes, sir.

Q.—What was the convenience?

A.—These Saskatchewan bonds and the Grand Trunk Pacific and Winnipeg bonds, and there might have been some others, I am not absolutely certain whether all were bonds of the Provincial Securities Company, or had the initials of the Provincial Securities Company printed on them—any time from the end of March till the first of May—I do not know when it was, but somewhere around there, 1921, I was closing out that business in Toronto. I had to transfer these bonds from Toronto to somewhere to my own account in Hamilton. All the first entries in these books as I explained a few minutes ago, represented transactions, an accumulation of possibly two weeks or three weeks, while we were getting ready to start the new business. This was during the time we knew or we thought, or I knew I could get the old business of Morgan, Harris & Mulvaney. I think the reason I put this transaction the way I did in the books, Mr. Biggs' purchase of bonds, was for the purpose of the transfer and as he had had other transactions, for instance the Arcade bonds. He delivered other bonds to me in lieu of the ones I show by the books he had.

Q.—There was nothing wrong with Mr. Biggs' transaction in connection with the Arcade bonds?

A.—No.

Q.—And nothing wrong with his transactions in delivering certain bonds to you and getting others?

A.—Not as far as I could see.

Q.—Why did you not put an entry in the book?

A.—For the reason that Mr. Biggs handed me bonds, Province of Ontario bonds, in payment for the transaction he put through with me. I preferred to keep these, as they were more negotiable than the Winnipegs and Saskatchewan. Over a period of time I had other bonds either in the Merchants Bank or in my possession in Hamilton.

Q.—Mr. Biggs' account you opened to sell, and you did sell?

A.—Mr. Biggs handed me certain Province of Ontario bonds in payment of the Arcade bonds, and I think there were some Alberta and Great Waterways bonds.

BY HON. MR. PRICE:

Q.—You said you kept the bonds in the office or in your possession?

A.—Yes.

BY MR. FISHER:

Q.—Did you sell his bonds or not?

A.—Later on I did, yes.

Q.—Not then?

A.—No.

Q.—Is there any reason why you wanted to sell at that time?

A.—No reason outside of the fact that I preferred to keep his Victory Bonds and the Ontario bonds. I could sell them where I could not get rid of Saskatchewan with the same ease.

Q.—What did you charge him?

A.—We had a commission.

Q.—The bonds he took in to you, what price did you charge him?

A.—I could not tell without looking up the records.

Q.—Where did you get them from? You say you did not sell them?

A.—I sold the Arcade bonds.

Q.—You took in certain bonds, and he got Arcade in exchange for certain bonds?

A.—Yes, sir.

Q.—What did you do with the ones you took in?

A.—They were sold some time later.

Q.—At that time, I suppose, you would give him credit for a certain amount?

A.—He would be charged up with the purchase price of the Arcade and credited with—in this case he would be credited with the so-called false entries I put in my books.

Q.—He was credited with something that was presumed to be a portion of certain bonds taken in; where did you get that?

A.—The value of certain bonds.

Q.—Where would that value come from?

A.—The possible market value of the bonds at the time.

Q.—Do you mean you represented to Mr. Biggs you had made a sale of certain bonds and had not made it?

A.—No, Mr. Biggs handed me bonds in payment for bonds he was buying. He did not care what I bought for his other bonds. I had my profit in once I was selling to him.

Q.—Where was the convenience to you in what you did?

A.—Simply in transferring over. I had all these bonds in my possession, and I had Mr. Biggs' bonds, and bonds of my own, and merely made the entries in the books to transfer the bonds from Toronto to Hamilton, from one company to the other, both of which I controlled.

Q.—Why couldn't you do it in a direct way?

A.—Because the other way—it simply saved entries in my books—otherwise I would have had to make double entries.

Q.—Is that the only convenience there was?

A.—Another convenience to me was I had Victory Bonds that were more negotiable.

Q.—I beg your pardon?

A.—I had Ontario bonds which were more easily disposed of.

BY MR. EDWARDS:

Q.—You made double entries in your books?

A.—Yes.

Q.—I can understand people making false entries to deceive somebody else, who were you deceiving?

A.—Nobody, these books were my own.

Q.—Why were you deceiving yourself?

A.—I was not deceiving myself. I was making entries to suit my convenience.

BY HON. MR. MCCREA:

Q.—Why would the girl make an entry that was false in connection with Mr. Biggs?

A.—She might have had a memo from me to put the entry in the books.

BY MR. FISHER:

Q.—Did you pledge these bonds, the Provincial Securities bonds to the bank?

A.—They may have been. I have not investigated, and I cannot tell you.

Q.—Had that anything to do with the way you made the entry.

A.—I did not think so at the time, sir.

BY HON. MR. MCCREA:

Q.—Was it your practice to send your clients statements of their accounts?

A.—Not in open accounts, Mr. McCrea, unless a bond was being carried in a partial payment plan.

Q.—When you made a transaction you would keep a memorandum of what you had done?

A.—It would all depend on where we got them and whether we would keep them in the office.

Q.—What is your practice as a business man?

A.—We make a statement and give duplicates.

Q.—Give the customer a statement?

A.—Yes.

Q.—You make these from the books?

A.—Yes.

Q.—That is why you keep books, to have records of the transactions, isn't it?

A.—Yes.

Q.—Now the ledger accounts affecting Mr. Biggs' transactions with you are all missing?

A.—So I am told. Mr. Nash says they are.

Q.—Don't you know that, Harris?

A.—I know now.

Q.—Did you know when you were here last year?

A.—After Mr. Nash told me I did.

Q.—You know they are missing?

A.—Yes.

Q.—Is that just a coincidence or is it intentional?

A.—It is certainly not intentional.

Q.—Why do you say that?

A.—Because I know it for a fact.

Q.—All of the ledger sheets pertaining to the business of Mr. Biggs are missing and cannot be found, that is right, isn't it?

A.—Mr. Nash says it is right.

Q.—Don't you know it is right?

A.—I know it is right under his words, yes.

BY HON. MR. PRICE:

Q.—Did not Mr. Nash have you try to hunt them up?

A.—Mr. Nash knows we hunted everything for days.

Q.—You are not blaming it on Mr. Nash?

A.—No, Mr. Nash knows the condition our vaults were in.

Q.—Would there be anybody else interested in ledger sheets besides yourself? You have entered false entries. Who else would be interested in destroying sheets?

A.—Nobody. Everybody was interested in the sheets and everything in the books.

Q.—Apparently somebody was interested.

BY HON. MR. MCCREA:

Q.—Interested in every book?

A.—Yes.

Q.—Including the securities day book. They were interested in every book including the securities day book?

A.—Yes.

Q.—The entries in the securities day book, as far as Mr. Biggs is concerned, are false, and Mr. Biggs' sheets from the ledgers are missing. Do you know whether the items on the ledger sheets pertaining to Mr. Biggs' accounts were true or false?

A.—I cannot tell you.

Q.—You do not know?

A.—No, I do not know. I do not know whether the records of the securities ledger were transferred to the ledger. That is a memo book, that is not a book containing entries which came in from the other book—

HON. MR. PRICE: Suppose we ask Mr. Nash regarding these.

MR. NASH: We examined sufficient entries in the securities day book to satisfy ourselves in all other cases where the ledger sheets were available the entries corresponded.

WITNESS: Would they be transferred from there to some other book?

MR. NASH: I would not say to that. This number is in the ledger and the transaction is exactly as it is recorded in the book. This I presume is transaction No. 6 which corresponded to the number in the ledger.

MR. GRAVES: That identifies the transaction.

BY HON. MR. MCCREA:

Q.—I would like to see you given an opportunity to explain to this Committee just why you found it necessary—you have given a general answer of convenience—to make false entries with reference to Mr. Biggs, and what reason,

if any, you can assign for the missing sheets that showed Mr. Biggs' account in the ledger. I want you to give any reasonable explanation you can with reference to this.

A.—Mr. Nash came over to our office, came over to examine our books. We had two vaults, and Mr. Nash has explained one was in fairly decent condition. The other was an accumulation of five different companies there. It had all my records of three years back, with Victory Loan sheets all over, and it had old books and cheques and things dumped in any way. There were old records of Morgan, Dean, Harris & Mulvaney. There were also records of Browning, Harris, Northey & Company, which were put into the vault, and which were of no further use. Any time any of our staff wanted any record they went to the vault and went through the sheets and did the best they could to pick them out. They were put back in any shape or form. Is it any wonder sheets were missing?

Q.—Do you not think it peculiar there would be only one sheet with reference to Mr. Biggs' account left?

A.—Not necessarily, Mr. Biggs had an active account. Can Mr. Nash tell me how many sheets were missing all told? Mr. Nash found missing sheets and he found sheets that were missing which were not Mr. Biggs' sheets, and Mr. Biggs' were not the only sheets that were missing.

BY THE CHAIRMAN:

Q.—Did you make false entries in anyone else's name?

A.—I am not aware.

Q.—Did you make false entries in anyone else's name except Mr. Biggs'?

A.—I do not know—wait a minute; there were entries in Mr. Browning's account that were not correct.

Q.—Your father-in-law?

A.—Yes.

BY HON. MR. PRICE:

Q.—Mr. Nash says that is not correct.

A.—There were entries in that account that were not Mr. Browning's.

Q.—You treated Mr. Biggs the way you treated Mr. Browning?

A.—In some cases, yes.

Q.—You were so well known to them both you could make false entries?

MR. NASH: I would say, Mr. Chairman, this transaction in connection with the same bonds recorded in this day book as being bought from Mr. Browning were followed by us to a conclusion, and in all cases where there was money, the proceeds were deposited either in the bank account of Mrs. Harris or in the bank account of Mr. Harris, so there was a definite conclusion of the entries. That the money paid to the Browning, Harris Company showed at least a transaction.

MR. LEWIS: Was there any such a follow up which covered an investigation of Mr. Biggs' account?

MR. NASH: I have not seen Mr. Biggs' bank account.

MR. LEWIS: If you saw it could you trace up this transaction?

MR. NASH: I never saw it.

WITNESS: I had absolute control of Mr. Browning's account and my own, and in making any entries in Mr. Browning's account I made as I desired, and he would not complain.

BY MR. LEWIS:

Q.—Does that apply to Mr. Biggs?

A.—I do not know, ask Mr. Biggs.

Q.—Does that apply to Mr. Biggs?

A.—I cannot tell you that.

Q.—Mr. Biggs never objected?

HON. MR. BIGGS: Mr. Biggs did not know it.

BY MR. LEWIS:

Q.—Did you tell Mr. Biggs you were making these entries?

A.—He knew nothing at the time at all.

Q.—When did he know?

A.—I presume when he read it in the paper.

Q.—Were you aware of the position you were getting Mr. Biggs in? Surely you are a man of some sense.

A.—Unfortunately I was not aware or I would not have done it.

BY MR. FISHER:

Q.—These bonds, Mr. Harris, were deposited at the bank, these Provincial securities. When they were taken from Toronto what became of them?

A.—Either put in the Merchants Bank in Hamilton or else retained by me. I am not absolutely certain.

Q.—Do you know which?

A.—No, I cannot tell you.

Q.—What was done with them subsequently?

A.—They were ultimately disposed of.

Q.—Have you any record as to when they were disposed of?

A.—I think there is a record on file.

HON. MR. PRICE: Let Mr. Nash answer that.

MR. NASH: We have not found any record of a disposition of these.

WITNESS: On none of these bonds?

MR. NASH: I will have to get an exact description of the bonds you got.

HON. MR. PRICE: He is referring to the Winnipeg bonds and Saskatchewan.

MR. FISHER: What was the ultimate disposition? You told us you traced them to the bank?

MR. NASH: I thought you were talking about Ontarios. Some of these bonds were traced as having been sold to other persons.

MR. FISHER: Did you trace what became of the money?

MR. NASH: I found one sale was made to a Hamilton man, and the Hamilton man paid for them, and those bonds were in the possession of the Browning, Harris, Northey Company.

MR. FISHER: When they got the money from the Hamilton man what became of that?

MR. NASH: Paid in to Browning, Harris, Northey Company.

MR. FISHER: General account?

MR. NASH: I point out the fact they sold them to the Hamilton man indicating they had them in their possession.

MR. FISHER: It shows these entries are not fiction.

MR. NASH: They cannot all be to the extent that we found these sold to a third party—unless the subsequent entry is also fiction.

BY MR. FISHER:

Q.—Were they ever out of your possession from the time you got them in Toronto?

A.—They were put in the bank. No, sir.

Q.—Or at any time up to the date of the sale?

A.—Outside of what Mr. Nash said some were sold, 4,000 to Mr. Shilton, in Hamilton.

BY HON. MR. MCCREA:

Q.—Where are the entries for that?

A.—Mr. Nash has the records.

HON. MR. MCCREA: When were they sold, Mr. Nash?

MR. NASH: 28th September.

HON. MR. MCCREA: What year?

MR. NASH: 1921, there was a sale to Fred Shilton of 8,000 Winnipegs and 2,000 Saskatchewan.

HON. MR. MCCREA: Is there any entry in the securities day book covering that?

MR. NASH: On the 12th October, 1921, sold Fred Shilton 10,000 Winnipeg bonds. Later they bought from Fred Shilton.

BY HON. MR. MCCREA:

Q.—Who is Mr. Fred Shilton?

A.—One of our clients.

Q.—Where does he live?

A.—I think Mr. Shilton is dead. He was president of the Canadian Shovel & Tool Company. He lived in Burlington.

Q.—He is dead now?

A.—Yes.

BY MR. FISHER:

Q.—Did you have these bonds in your possession at the time you made these entries?

A.—They were under my control.

Q.—The computation of interest and all that would be correct?

A.—I think so.

Q.—And everything is correct except the entries regarding Mr. Biggs?

A.—That is all.

Q.—That is the only thing that is false?

A.—As far as I know, yes.

Q.—What we would like to know is why you made an entry in your own book that they were bought from Mr. Biggs?

A.—As I tried to tell you—

Q.—What did you have to cover up?

A.—Nothing to cover up at all.

BY MR. GRAVES:

Q.—Were you trying to deceive some partners of yours, trying to protect yourself against a division of profits? Is that who you were trying to deceive?

A.—I controlled the company myself and could do as I pleased with the money.

Q.—You were not trying to deceive anybody except yourself?

A.—No.

BY MR. WIDDIFIELD:

Q.—You were doing it for your own convenience. What do you mean by your own convenience?

A.—Simply as a matter of transferring bonds from Toronto to Hamilton. I had to make some entry in my books to get them from the Securities Company.

BY MR. FISHER:

Q.—Is there any reason why you could not say they came in from Provincial Securities or Harris?

A.—Not necessarily, no, outside of the fact I was keeping Mr. Biggs own bonds in my own possession.

Q.—Do you say you had a right to do that?

A.—Certainly. I made a deal with him. Once I made a deal with him his bonds were mine.

Q.—Was the deal with him to keep the bonds at a fixed price or sell them?

A.—My deal with him was to exchange these bonds at a fixed price and he fixed the commission plus nine-tenths.

Q.—You had a perfect right to do what you liked with his bonds?

A.—Absolutely I had a perfect right.

Q.—What was there any way in this transaction that called for—any such transaction or any of the transactions that called for a false entry?

A.—Absolutely nothing.

BY MR. LEWIS:

Q.—Mr. Harris, you owned this company entirely, this Browning, Harris Company?

A.—No.

Q.—You just told Mr. Graves you controlled the company absolutely.

A.—I mean I was the dominating person in it, I formed it.

Q.—You ran it?

A.—Yes.

Q.—These bonds practically belonged to you?

A.—Yes.

Q.—The bonds Mr. Biggs gave you in exchange for the Arcade bonds?

A.—Yes.

Q.—They practically belonged to you?

A.—After the exchange.

Q.—Why did you trade the Ontario bonds for other bonds you brought from Toronto, why did you make the trade?

A.—I knew Victory Bonds were more easily negotiated.

Q.—You owned them anyway?

A.—Some belonged to the Company; some were my personal property, and some went through Browning, Harris Company.

Q.—What difference did it make?

A.—It made a difference to me.

MR. GRAVES: He was taking good stuff and putting back bad.

BY MR. LEWIS:

Q.—You transferred to Mr. Biggs a block of phoney bonds and make an entry in your books to show that would balance up by reason of receiving from him these Saskatchewan, Winnipegs and so on?

A.—That is what the entries show.

Q.—You say you did not receive these bonds?

A.—Yes.

Q.—You had them all the time?

A.—Yes.

Q.—You say you did receive from him Ontario bonds?

A.—Yes.

Q.—Bearer bonds that cannot be traced?

A.—Yes, bearer bonds.

Q.—That cannot be traced unless you have the inscribed number on the back. As a matter of fact do you want to tell this Committee that you actually received from Mr. Biggs some Ontario or Victory Bonds in exchange for these Arcade bonds?

A.—There is no question about it.

Q.—You are sure?

A.—Yes.

Q.—These entries were not made for the purpose of deceiving?

A.—No.

Q.—You got these bonds?

A.—Yes.

Q.—Instead of showing you got these you showed you got some other bonds?

A.—Yes.

Q.—You want the Committee to believe that?

A.—Yes.

BY THE CHAIRMAN:

Q.—Why could you not have made an entry that you got these Provincial securities? That would have been honest.

A.—If I put it: Bought these bonds from the Provincial Securities, then they would have had to pay me money for them.

Q.—Why shouldn't they?

A.—I was interested in the bonds.

Q.—The honest entry would have been: You got them from the Provincial Securities, isn't that true?

A.—Not necessarily.

Q.—They came from the Provincial Securities?

A.—Yes. As far as Browning, Harris & Northey was concerned they came from me.

Q.—You were the Provincial Securities?

A.—Yes.

Q.—Why didn't you put the truth in? Why didn't you put in: Bought from Provincial Securities?

A.—If you put in, Bought from Provincial Securities, you would have an offsetting entry.

Q.—That would be honest?

A.—I was interested in selling these.

BY THE CHAIRMAN:

Q.—Do you remember writing Mr. Biggs the other day?

A.—I wrote to Mr. Biggs.

Q.—From New York?

A.—Yes.

Q.—How did you come to get a copy of the Committee's report? What was said? Did Mr. Biggs send it to you?

A.—I got it from the "Toronto Daily Star."

Q.—Who sent it?

A.—Nobody, I bought it at the news stand.

Q.—Where?

A.—Outside the Commodore, New York.

Q.—You sat down and wrote Mr. Biggs?

A.—Yes.

Q.—What did you tell him?

A.—I can't remember what was in the letter.

Q.—What was your explanation there?

A.—The letter published in the paper yesterday is evidently correct.

Q.—You wrote it then, is that right?

A.—Yes.

BY MR. GRAVES:

Q.—Why hesitate, the letter must be right?

A.—I wrote a letter.

Q.—Why hesitate, why don't you say yes? Mr. Finlayson says is that correct, what is contained in the letter.

A.—It is correct.

Q.—“Before the entries were made in our books the bonds as placed by you were replaced by me.” Is that right?

A.—Read that again.

Q.—“Before these entries were made in our books the bonds as placed by you were replaced by me.”

A.—The bonds as turned in by him to me were replaced by me with other bonds.

Q.—What other bonds?

A.—The bonds mentioned in the record.

Q.—The record is honest?

A.—No, that part of the letter is quite all right.

Q.—You are getting the thing mixed up. I am reading your letter.

A.—Read it again.

BY MR. WIDDIFIELD:

Q.—We heard a year ago—last April at the Public Accounts Committee—of a lot of missing ledger sheets. Has it not occurred to you it would have been a convenient thing to get rid of this book if it were a convenient thing to get rid of these ledger sheets?

A.—I beg your pardon?

Q.—Wouldn't it have been as good business to get rid of this day book which seems to be incriminating, just as good business as getting rid of these ledger sheets?

BY THE CHAIRMAN:

Q.—Mr. Widdifield suggests if there was anything wrong with these entries it would have been wise to get rid of them.

MR. WIDDIFIELD: It shows the entries were all right.

BY MR. FINLAYSON:

Q.—You admit they were dishonest?

A.—It shows there was nothing wrong.

BY HON. MR. MCCREA:

Q.—Mr. Harris, I take page 50 of the securities day book and find the following entry, No. 162: Bought from F. C. Biggs, West Flamboro, 2,000 Province of Saskatchewan 6 per cent bonds, 1st February, 1926, at 97, \$1,940.

A.—What date was that, Mr. McCrea?

Q.—June 22nd, 1921. Now let me put it this way: I think you told Mr. Fisher that when you put down the value of the bonds or the entry as to the bonds it would be a correct entry as to everything except Mr. Biggs' name?

A.—I assume the entry would be correct, the extensions would be all right.

Q.—And the name of the bond?

A.—The bonds were.

Q.—The bond and the interest. So far as the name and entries are concerned, they are correct, but you should not have put in they were bought from Mr. Biggs?

A.—Yes.

Q.—Then you would have, or somebody at the office would have these \$2,000

in value of Province of Saskatchewan 6 per cent bonds at the time this entry was made?

A.—They likely would be on hand.

Q.—And the price there is the price of the bond named at the time?

A.—I would say so, yes.

Q.—Now, if Mr. Biggs' bonds were Ontario bonds that you had, and you were making exchanges as I understand it, how did you settle with Mr. Biggs?

A.—Mr. Biggs' bonds were taken in by me on the basis of the value when I made the Arcade transaction with him. The entries would be immediately made then in his account.

Q.—I am speaking of Ontario bonds.

A.—Those are the ones.

Q.—Ontarios are Victories?

A.—Those are the ones.

Q.—How would you make a settlement with him, adjust the amount to his credit with the new purchase, give him a cheque for the difference, or what was done?

A.—There need not necessarily be any settlement, it was a running account.

Q.—Was there ever a settlement with Mr. Biggs'?

A.—I cannot tell you. There might have been small cheques pass back and forth.

Q.—Do you remember ever having a settlement with Mr. Biggs?

A.—I cannot tell you, I don't remember.

Q.—You do not know how the account stands now?

A.—No.

Q.—You do not know whether you owe him or he owes you?

A.—No, I do not.

Q.—Are accounts between you unsettled?

A.—No, sir.

Q.—They are not unsettled?

A.—No, sir.

Q.—Then they are settled, do you know?

A.—I do not know how his account stands. He might owe us a few dollars or we might owe him.

BY MR. LEWIS:

Q.—Since last year have you been discussing this matter with Mr. Biggs?

A.—The matter of this—

Q.—The matter of these bonds?

A.—No.

Q.—You have not had any discussion with him?

A.—No.

Q.—Have you had any discussion with him regarding these bonds since this Committee opened this year?

A.—Since the Committee opened this year outside of a letter I sent him.

Q.—No discussion outside of that?

A.—No.

Q.—You have not seen Mr. Biggs since you came back from New York or Atlantic City, until this morning?

A.—Yes, I saw Mr. Biggs two or three days ago. I saw him yesterday here.

Q.—Conversing with him?

A.—No, out in the hall here.

Q.—You were not talking to him?

A.—I was talking to him for a minute in a room there.

Q.—What were you talking about?

A.—I cannot tell you.

Q.—Why?

A.—It was only a couple of minutes.

Q.—You have not talked about these bonds to Mr. Biggs since you came back from New York?

A.—Outside of a few general remarks.

Q.—What were these general remarks?

A.—Offhand I might have told him the thing might quite easily be explained.

Q.—Did you tell him what explanation was to be given?

A.—No.

Q.—You did not tell him—you are telling us on your oath you have not discussed the matter with Mr. Biggs since you came back from New York?

A.—No.

Q.—Any specific discussion?

A.—I might have told Mr. Biggs these matters would be explained by me.

Q.—Did you tell him how you would explain them?

A.—No.

Q.—You did not have any conversation along that line?

A.—No.

Q.—You did not discuss it with him at all?

A.—No.

Q.—You are telling that to us on your oath?

A.—Yes.

Q.—You are prepared to substantiate it in another Court?

A.—Yes.

BY HON. MR. BIGGS:

Q.—In connection with the letter that was written. Before these entries were made in your books, the bonds dealt in by you were requested by me. I do not think the point was made clear, and I would like to know how these were replaced, what took place.

MR. MCBRIEN: What is the date of the letter? How did you come to get the letter?

HON. MR. BIGGS: Out of the mail.

MR. MCBRIEN: Were you in touch with Mr. Harris?

HON. MR. BIGGS: I never wired, phoned or wrote Mr. Harris since this investigation started. Probably Mr. Harris might tell us, Mr. Chairman, whether these bonds were replaced by some of the Provincial Securities Company?

WITNESS: May I see the letter, the original, or a copy of it?

BY MR. MCBRIEN:

Q.—How did you come to send the letter, what date is it, this year?

A.—28th March.

BY HON. MR. MCCREA:

Q.—Were you in New York in March?

A.—I either went down Tuesday or Sunday night, I am not absolutely certain.

Q.—What day?

A.—It would be the 25th, I think, Mr. McCrea.

Q.—You went to New York on the 25th March?

A.—Yes.

Q.—Where did you leave from?

A.—Hamilton.

Q.—What day was the 25th March?

A.—I think it was Wednesday.

Q.—The 25th March was Wednesday, you left Hamilton on the 25th March and went direct to New York?

A.—Yes.

Q.—When did you arrive in New York?

A.—The next morning.

Q.—The 26th. What hotel did you register at?

A.—Commodore.

Q.—When did you leave New York?

A.—Sunday afternoon.

Q.—For Hamilton?

A.—No, Atlantic City.

Q.—Now, while you were in New York on the 26th, 27th and 28th March did you have any telephone communication with Mr. Biggs?

A.—No, sir.

Q.—On what day did you get the Toronto Star in New York?

A.—I think it was Saturday.

Q.—On Saturday?

A.—Yes.

Q.—Where did you buy it?

A.—At the news stand on the street, right outside the Commodore.

Q.—Had you tried any place else to get a Star except at the stand?

A.—I don't think so. I was getting Toronto papers there every day I was there.

Q.—Did you get a Star on the 27th?

A.—It is possible, I am not sure.

Q.—Did you?

A.—I got whatever Toronto papers they had.

Q.—Did you get a Toronto Star on any day except the one day? Can you tell us that?

A.—No, I cannot. I got Canadian papers, I do not know which ones they were.

Q.—Do you remember—you remember getting a Star at this news stand on one day, did you get one the day before?

A.—I cannot tell you, I do not know.

Q.—This was only a short time ago, Mr. Harris?

A.—When I went to get a Canadian paper I would take what was given me. They only get a few in.

Q.—What other Canadian paper did you get besides the Toronto Star?

A.—If I got anything I got the Toronto Globe or Mail and Empire of the 27th.

Q.—What did you get the day before?

A.—One paper or the other.

Q.—In the Toronto Star which you purchased on Saturday, 28th, you saw a reference to the Public Accounts Committee?

A.—Yes.

Q.—And the evidence that was in the paper at that time, and you wrote the letter, Exhibit 10?

A.—Yes.

Q.—Where was this letter written?

A.—Where was it written?

Q.—Yes?

A.—In the hotel.

Q.—What was your room number?

A.—I forget, I do not know.

Q.—You did have a room number?

A.—Yes.

Q.—Was the letter written in your room?

A.—Mrs. Harris was with me; we had a room there.

Q.—Was the letter written in your room?

A.—Yes, sir.

Q.—Is the paper it is written on hotel paper or your own private stationery?

A.—It is my wife's paper.

HON. MR. BIGGS: The envelope is an hotel envelope.

BY HON. MR. MCCREA:

Q.—You are quite positive this letter was written in your room in New York, Saturday or Sunday?

A.—I think it was written on the 28th.

Q.—You told this Committee all the time you were in New York you did not have any telephone communication with Mr. Biggs?

A.—Absolutely.

Q.—Did you have any telephone communication with anybody about this Public Accounts affair?

A.—Nothing definite. I was talking to my office two or three times.

Q.—About matters referred to in the Star?

A.—No, matters of business only.

Q.—Then this matter of the explanation to Mr. Biggs was not communicated even to your office?

A.—No.

Q.—By telephone or otherwise?

A.—Not that I remember. It might have been in some discussion, I do not remember what the discussion was.

Q.—You say the news stand you got the Star at is directly in front?

A.—It is up, possibly it might be forty or fifty feet up, in front of the Commodore, on 42nd Street.

Q.—Is it at the corner there?

A.—There are two. It is right under the elevated.

BY HON. MR. BIGGS:

Q.—I have nothing particular to ask, but only one thing in regard to the entries appearing in Mr. Harris' own handwriting. What system have you in your office that the clerks use or whoever makes these entries use? What do they take these entries from? Have you any card system? What do they take their entries from?

A.—There is a card system that is in vogue now. I cannot say whether it was in vogue at that time these things were put in or not. That book only ran for eight months. There must have been some other system put in them.

BY HON. MR. MCCREA:

Q.—The card system and book system would not be working at the same time?

A.—No, the card system started after that, or was discontinued, I am not certain.

Q.—You stated you had no telephone communication in New York?

A.—No.

Q.—Did you receive a letter or telegraph or telephone message from Mr. Biggs at all while you were away from Hamilton?

A.—No.

Q.—Absolutely none?

A.—No.

HON. MR. MCCREA: I would like to call Mr. Nash for an explanation as to the City of Winnipeg 6 per cent. bonds, bonds unaccounted for.

MR. NASH: There were 16,000 unaccounted for, Mr. McCrea, and then we found on the 21st March, 1921, Morgan, Dean, Harris & Mulvaney Company bought 5,000 of these bonds from Toronto brokers. On the 26th March they purchased a second 5,000 from the same brokers, and on the 23rd March and 29th March, respectively, the Provincial Securities purchased from Morgan, Dean, Harris & Mulvaney, so there was a real purchase of the bonds. On the 11th May, 3,000 bonds were drawn from the Bank of Toronto and signed for by Mr. Harris. There was apparently 8,000 of these bonds in the hands of Mr. Harris, and 2,000 additional with the Bank of Toronto. On the 5th May, 1921, 6,000 bonds were bought from Mr. Biggs and sold on the 14th May, 1921, to the Provincial Securities. On the 17th of May the Provincial Securities deposited these 6,000 as collateral with the Bank of Toronto. On the 14th of May 2,000 were bought by Browning, Harris, from Mr. Biggs. On the 17th May Provincial Securities had on deposit as collateral with the Bank of Toronto 8,000 of these bonds, that is 6,000 from the first purchase and 2,000 deposited on the 17th May. The numbers of these bonds are ascertained from the Bank of Toronto.

Call loan on account of the Provincial Securities with the Bank of Toronto shows 8,000 were released 27th September, 1921, together with 2,000 Saskatchewan. On the 28th September 8,000 Winnipeg bonds were bought from Mr. Biggs, together with 2,000 bought from him on the 14th May, and these 10,000 were sold to Fred Shilton, Hamilton, on the 12th October, 1921.

HON. MR. MCCREA: Will you tell us about the Province of Saskatchewan 6 per cent. bonds due 1936?

MR. NASH: On the 12th February, 1921, Morgan, Dean, Harris & Mulvaney bought from Toronto brokers ten thousand bonds. The firm of Toronto brokers have given us interim certificate numbers of all of these bonds. On the 13th February, 1921, Provincial Securities secured these bonds from Morgan, Dean, Harris & Mulvaney, through Mr. Harris. There is no record available of the disposition by the Provincial Securities, so they appear as owners of these bonds without having disposed of them. On the 15th of May, Browning, Harris bought from Mr. Biggs 4,000. The manager of the Merchants Bank says Browning, Harris deposited the following day 4,000 of these bonds, and the bank records give the numbers of these bonds as corresponding with the 4,000 bonds purchased in the first place out of profits of the Provincial Securities in these certain numbers which were given to us. The same register shows these were released on the 12th May, and on the 14th May the security day book shows a sale of 4,000 of these securities, Provincial securities, so the Provincial Securities again came into possession of 4,000, which for the moment are unaccounted for.

Concerning Harris & Company's security day book to page 8, it shows the purchase from Mr. Biggs of 2,000, 28th September 2,000, and the Merchants Bank, Hamilton, collateral register shows that these were received on account of Browning, Harris, Northey & Company. The collateral register shows

2,000 bonds delivered to George Harris. That is all interim certificates on the 2,000 of the bonds received were in their places. On the 28th September, 2,000 additional received, and the register numbers given. 4,000 in the hands of the bank and these were released on the 4th October, 1921, with a notation "Draft M.U.V. Co." We have confirmed the numbers of these 4,000. Call loan account of Provincial Securities shows 2,000 of these securities released on the 21st June and 2,000 on the 21st September, and again a release of 2,000 on the 27th November. The Bank of Toronto records show these 2,000 were sent to Hamilton together with 8,000 Winnipegs with draft attached. The bank account of the Northey Company shows the draft was charged to their account. The security day book does not show any purchase at this date, but shows a purchase of 2,000 Saskatchewan from Mr. Biggs and 8,000 Winnipeg. The significance appears to be there is a record of these bonds being shipped in this case by the Provincial Securities to Browning, Harris, Northey & Company, attached to draft, but Browning, Harris firm does not record the purchase from the Provincial Securities, but does record the purchase of similar bonds from Mr. Biggs.

BY HON. MR. MCCREA:

Q.—Now, Mr. Harris, you have just heard the statement of Mr. Nash that the Browning, Harris Company does not record the purchase of the bonds from the Provincial Securities Company, but does record the purchase of bonds similar from Mr. F. C. Biggs. What explanation have you to give with reference to that situation?

A.—Mr. Nash followed these bonds—

Q.—Just answer my question?

A.—They came over with a draft and Browning, Harris paid for them. If we bought we used our money and the record shows they were charged to Mr. Biggs.

MR. NASH: The record does not show that.

WITNESS: We paid for them; you told us that.

MR. NASH: Then I must have the rest of the records.

BY HON. MR. MCCREA:

Q.—Mr. Harris, where are the rest of the records?

A.—I cannot tell you.

Q.—Can you give the Committee any explanation?

A.—No. I want to get this clear in my mind. This is all news to me that these bonds came over attached to a draft.

MR. NASH: The Provincial Securities shipped these bonds to Hamilton.

MR. LEWIS: Released from the bank.

MR. NASH: Attached to draft. That draft was apparently on Browning, Harris, Northey Company, and the Browning, Harris, Northey Company is charged, but Browning, Harris, Northey Company do not show they purchased these bonds. They do show they purchased 8,000 Winnipeg and 2,000 Saskatchewan the next day from Mr. Biggs. I am giving you the story as clearly as I can. There are no records that have been produced to clear that up.

MR. LEWIS: You state that a purchase was made from Mr. Biggs, and that would be shown in his account, would it not?

MR. NASH: Presumably so.

THE CHAIRMAN: If he had any books.

BY THE CHAIRMAN:

Q.—Your firm in Hamilton bought Provincial securities for which you paid

hard cash. Now we find you are dealing with Biggs. Why should you buy these securities twice?

A.—We didn't.

Q.—You paid Mr. Biggs and paid Provincial Securities?

A.—These items are shown in the exact way as other transactions.

By HON. MR. MCCREA:

Q.—Where are your records now, Mr. Harris, which will clear up this situation and show this Committee what disposition was made in your books, as to the charges?

A.—Mr. McCrea, Mr. Nash has every record of our books.

Q.—They are in a different condition?

A.—No.

Q.—Mr. Nash went to your office for the purpose of getting these things, but couldn't find them?

A.—Mr. Nash found everything that was there.

Q.—Mr. Nash could not find in your office, when he went to check these things up, the account of Mr. Biggs that would show these things?

A.—So I am told.

Q.—You know that?

A.—From Mr. Nash, yes.

Q.—The records of your firm which Mr. Nash has at his office have been in Mr. Nash's possession for how long?

A.—Possibly a year.

Q.—Over a year?

A.—A little over a year.

Q.—Why have you not been down during the period for the purpose of going into these records of yours to see if you could find anything to clear up the situation?

A.—I did not think it was necessary. Mr. Nash made inquiry; he had my own bank account and my wife's bank account, and I did not know whether he wanted any other information. We asked Mr. Nash for the return of the books, and he said he would take it up with Mr. Gordon.

By MR. LEWIS:

Q.—You told this Committee last year you would do your best, you would get all the information you were able to?

A.—I did my best.

Q.—You did your best by not going to consult these records?

A.—If Mr. Nash wanted any assistance, he could have got me in ten minutes on the phone.

Q.—Can you give us any information that will explain this?

A.—I can give you no information.

Q.—Either Mr. Biggs participated in profits of the Provincial Securities Company or else your entries in your books are all false. Which horn of the dilemma do you want? Did Mr. Biggs share in the profits of the Provincial Securities Company, or did you make false statements in the book?

A.—I admit entries were false.

Q.—Did Mr. Biggs share in the profits?

A.—No.

Q.—You want to take the responsibility of shielding him?

A.—I take the responsibility of making false entries.

Q.—And making false statements to the Committee last year?

A.—Unwittingly.

THE CHAIRMAN: What do the Committee want done with this man?

MR. LEWIS: Surely there cannot be any question.

THE CHAIRMAN: This man has taken the responsibility—he wants to shield the other man. What action do the Committee want taken? We have never had anything quite as bad as this in my experience.

HON. MR. MCCREA: Is it the pleasure of the Committee that these facts be reported to the Attorney-General for action?

Carried.

MR. LEWIS: What about the disposition of Mr. Harris in the meantime?

THE CHAIRMAN: Mr. Harris is disposing of himself so rapidly to-day he will have ample time to think about it. I am suggesting to him he is forcing the Committee to take action against him.

BY THE CHAIRMAN:

Q.—Perhaps you would like to think over the thing for a few minutes?

A.—I have given you—

Q.—As to whether you want to take this action?

A.—I have given my explanation as far as I know.

Q.—Do you not want to reconsider?

A.—I have given all the facts I can think of.

THE CHAIRMAN: We have some other matters to discuss. Perhaps you had better go into another room and think this thing over.

Just take Mr. Harris into the other room.

THE CHAIRMAN: While the Committee was proceeding I went out for a few minutes and, in accordance with your instructions, I have drafted a report, and perhaps the Committee will listen for a minute and it may save another meeting.

HON. MR. BIGGS: Is it the intention of the Committee to report now, or can we follow these Highway matters up in connection with evidence that has been given? I do not know whether it is the pleasure of the Committee that we should follow them up and come to some definite conclusion.

A MEMBER: Why not finish what you are doing?

MR. FISHER: What I suggest is this—

THE CHAIRMAN: I will read the report. (Chairman reads report.)

HON. MR. BIGGS: Mr. Chairman, in connection with the clause about the Highways, although I have heard it read once—

THE CHAIRMAN: I will read it again. (Reads clause covering Committee's report on inquiry into Highways.)

HON. MR. BIGGS: In that connection, Mr. Chairman, I would suggest that it be added that the Auditor was able, from the records available in connection with the Highways Department, to show that the Province has sustained no serious loss. I do not know whether that is asking too much or not?

HON. MR. PRICE: I would just like to say something about these Highways accounts. I think the less Mr. Biggs says about this the better. I do not think the Committee quite understands. This Auditor was a very mild-mannered individual, and gave his evidence in a very quiet way that there were vouchers for \$300,000, that is practically the amount, which were missing. When one considers that over a great period of time an enormous amount of money was spent and there is no account on file in the Highways Department and there is no account on file to-day, and though the cheque is there showing that the payment was made out to somebody, there is no particular evidence

on file showing that it was a correct payment or anything of that kind. The money was paid out, but there are no records to show for what it was paid, and also money was received and the Auditor has produced a statement of that.

MR. OKE: Just a minute, I understand that there was only a deficiency of some—

HON. MR. PRICE: You do not understand this, Mr. Oke, you were not here yesterday. The question is, money was paid out and paid in and the Auditor has been able, by going to the bank account of the Highway Improvement Fund in the Bank of Montreal, to get these various cheques that were issued to people and will go so far as to say that the \$300,000 for which there are no vouchers was no doubt expended legitimately. The Auditor is a very reliable and honest man and he tells the Committee that he thinks that these payments have actually been made, and that there probably were vouchers at one time in the Department, and that he has been able to get these things down to a minimum, and he believes there has not been any discrepancy of any very great importance. But, Mr. Chairman, it would be unfair to the public and to this Legislature and to this Committee for anyone to say it is not a very deplorable state of affairs. I do not want it to go out to the country—there has been talk about it and the facts were brought out without any colouring whatever, brought out in a very quiet way.

But let us just see, when you are going into this thing, what the facts were. Let us note what appears regarding these contracts. The Auditor has given evidence to the effect that these contracts were given for \$50,000 and winding up by the Province paying \$150,000. He says, probably with a little explanation here or there that might be cleared up. Mr. Chairman, there are lots of matters which might be commented upon. I am not in a position, neither is this Government, to go and say wrong payments are made to contractors or to officials, to Mr. Biggs or anybody else. The only records covering these payments are the cheques which have been found by the Auditor.

Do not let us try and fool ourselves by trying to give a certificate of correctness to anyone. You have the facts there and you have them very clearly from the Auditor. I do not want the newspapers or Mr. Biggs or anybody to make statements that I am putting over something, but the Government is not unmindful of these expenditures. As the Auditor says, it is probably all right.

Accepting things as they stand, there is one outstanding thing which, occurred this morning, and I have reference to Harris, who is sitting here now; as soon as a man loses his books, as soon as he fails to find his books, as soon as a period of four months expires and there is no cash book or records in the Highways Department, and for twenty-one months there is no book showing the transactions of a Government Department—how can anyone defend that? I cannot defend it. I won't defend it. Mr. Biggs won't. I do not know whether he is responsible. It is there. Nobody could defend Mr. Harris in the condition of his accounts. It is deplorable and disgraceful.

We as a Committee have gone as far as we can, as far as the records are concerned. I can say the Highways Department in taking these contracts and—when we look into them we find that contractors have submitted their tenders for a certain amount and then we find cheques issued for twice and in some cases three times the amount of the tender.

The Auditor is still looking into these things and getting a full record, and if there is anything further it will be laid before the House and things will be put in shape. We know that the business is a very bad business. Nothing can be known of the workings of the Highways Department without the records.

I want to be fair to Mr. Biggs' administration or anybody's administration, and I do not take any credit for these things. The Public Accounts Committee last year asked that these matters be gone into, and great headway has been made in doing that, and the Auditor is still on his work.

MR. LETHBRIDGE: Last night I noticed in the press that Mr. Kemp asked a question of the Auditor as to the amount the Province has lost in this transaction, and I thought he mentioned there was not over \$2,000 or \$3,000.

THE CHAIRMAN: The point is this, I have not stated in my report that it was \$3,000 or \$300,000. There is \$330,000 unaccounted for.

MR. LETHBRIDGE: Did the Auditor say so?

HON. MR. PRICE: Yes, the Auditor said there is \$300,000 unaccounted for, but by a system of searching every entry and making up the books as best he could he thinks most of it is accounted for. That it was paid out, and if you accept certain facts, and if you see the contracts originally made, you will find that the amounts have jumped three or four times—perhaps honestly. Do you wish me to put in that there is a sum of \$300,000 for which there are no vouchers?

MR. MACBRIDE: We are not here to adjudicate on it.

THE CHAIRMAN: Is it the pleasure of the Committee that the report stand? Carried.

Mr. Harris returns to Committee Room, and is questioned as follows:

BY THE CHAIRMAN:

Q.—Have you any statement to make?

A.—No.

Q.—Do you want to take the responsibility for the false entries and statements you made?

A.—I will take all responsibilities necessary.

Q.—Are you going to tell us the facts?

A.—I have told you all I can tell you.

Q.—All you are going to tell me?

A.—I have told all I am going to tell you.

MR. MACBRIDE: It is a matter for the Attorney-General, and he can take whatever action he thinks necessary.

HON. MR. PRICE: I would like to tell the Committee that Mr. Nash, after the Committee rose last year, went over the remainder of the books, and he reported to me several times. I asked him to go back and get further evidence. Now, gentlemen, we did not go into Mr. Biggs' bank books—his personal affairs. I do not believe in going into the bank books of a man; unless there is something we do not do it.

Mr. Harris, notwithstanding anything he said here to-day, had ample opportunity of getting in touch with Mr. Nash. He could have given Mr. Nash more help. I wish the Committee to understand Mr. Harris gave no assistance whatever and Mr. Nash has gone about the work in a deliberate way, and he has made his report. It seems to me there is no other course but to leave the matter to the Attorney-General as it stands, and I do not feel that anything would be gained by again bringing it before the Committee. It has been brought before the Committee, and Mr. Harris has given his evidence. Mr. Biggs has given his evidence, and I think what is proposed by Mr. MacBride is very fair.

MR. MACBRIDE: I concur with the Treasurer that the deliberations of this Committee have been conducted very fairly to all concerned. We would be

putting ourselves in a false position if we resorted to any star chamber methods. Mr. Harris has said he will accept the responsibility. Your Committee therefore, in my opinion, have nothing else to do.

THE CHAIRMAN: The paragraphs in the report have been passed and I will read now the paragraph relating to Mr. Harris. (Reads paragraph.) Carried.

THE CHAIRMAN: If there is no more evidence to be taken.

HON. MR. PRICE: There are a couple of witnesses. I think we ought to adjourn till probably 2.30.

Meeting adjourned till 2.30 p.m.

PUBLIC ACCOUNTS COMMITTEE.

The Committee resumed Thursday afternoon, April 9th, at 3 o'clock, with Mr. Finlayson in the chair.

CHARLES H. ANDERSON, called, sworn.

MR. LEWIS: What is your position?

A.—I have been in the property branch of the Highways.

Q.—Of the Department of Highways?

A.—Yes.

Q.—In the Property Department?

A.—Yes, sir.

Q.—That is the branch, is it, which concerns itself with purchase of rights-of-way?

A.—Yes, gravel pits and such like.

Q.—All purchase of property?

A.—Yes.

Q.—And you would have knowledge of the different purchases that have been made for how many years?

A.—Since January 1st, 1918, outside of about six months I was away from the Department.

Q.—When was that six months?

A.—In 1923.

Q.—But from 1918—what period of 1918?

A.—First of January.

Q.—Up until some period in 1923?

A.—First of March.

Q.—You were conversant with the transactions of the Property Department?

A.—From the 6th of April, 1923, until the present.

Q.—And you dealt personally with these purchases?

A.—Some of them.

Q.—You were in charge?

A.—Yes.

Q.—You can speak with knowledge of these transactions. Do you recollect in the year 1920—I think it originated in the year 1919—purchase of land in connection with the Dundas Hamilton Highway by way of Dundas Street?

A.—Yes.

Q.—From a Mr. Bray?

A.—Yes.

Q.—Where was that land situated?

A.—I have a plan here.

HON. MR. MCCREA: What are the particulars of the purchase?

A.—Well, it was purchased from Mr. Bray. I have the option here. It was taken by one of the help that I had, the option was taken.

Q.—What was the date of the option?

A.—It was open for acceptance until noon, 22nd of May, 1920.

Q.—Well, what is the date of the option?

MR. LEWIS: When was the option given?

A.—Just a moment until I see.

HON. MR. MCCREA: Is it May? You say, Mr. Anderson, that the option was taken some time in 1920?

A.—Yes, Mr. McCrea.

Q.—And the option price was \$21,000?

A.—Yes, sir.

Q.—And that was to be payable as follows, cash on or before October 1st, 1920?

A.—Yes.

Q.—“For all that property containing twenty-two acres more or less lying west of Lot 12, Concession 1”—what is B. F.?

A.—Broken front.

Q.—“Situated in East Flamboro?”

A.—It ran to a creek.

Q.—“Lying north of Toronto-Hamilton Highway, length of frontage on highway being five chains fifty links and three feet eight inches. This option covers all property owned by vendor lying northerly from side road,” and the option was open for acceptance as I see it up to 12 o'clock noon of the 22nd of May of that year?

A.—Yes.

Q.—Was the option exercised before the 22nd of May?

A.—No, sir.

Q.—Was any extension granted?

A.—Yes, sir.

Q.—When was the extension?

A.—The extension was granted on May 21st, 1922.

Q.—For what period?

A.—Until August 19th, 1920.

Q.—Was any further extension granted beyond the 19th of August, 1920?

A.—Not to my knowledge.

Q.—Well, wouldn't you have knowledge of it in your department if there was an extension?

A.—I would expect so.

Q.—Was the purchase completed?

A.—No, sir.

Q.—For \$21,000 at any time?

A.—It was later on. There was \$100 paid on it on the 21st of August, 1920.

Q.—On the 21st of August?

A.—Twenty-first of May.

Q.—Twenty-first of May when the extension was granted?

A.—Yes.

Q.—And the extension was until?

A.—August 19th.

Q.—There was \$100 paid to that extension?

A.—Yes. But to be applied on the property.

Q.—Now we put in there a copy of the option.

THE CHAIRMAN: Exhibit 12.

HON. MR. MCCREA: So that the period of the 19th of August came along and no money was paid other than the \$100?

A.—No, sir.

Q.—When was the balance of the \$21,000 paid?

A.—September 30th, 1920.

Q.—So that the—

A.—The cheque number is here.

THE CHAIRMAN: No. 734944, September 30th, 1920.

HON. MR. MCCREA: So that the option, as a matter of fact, so far as your records show, had expired on the 19th of August?

A.—Yes, sir.

Q.—And the money was paid on the 30th of September?

A.—Thirtieth of September.

Q.—1920. It was the date of the cheque.

Q.—When did you take possession of the property?

A.—We were to get possession of it the 1st day of October.

Q.—When the sale was completed?

A.—Yes.

Q.—And did you take possession?

A.—Yes.

Q.—In making the payment of the balance there was \$100 paid on deposit?

A.—Yes.

Q.—In May. And then the deal was completed on the 30th of September?

A.—Yes.

Q.—Cheque 734944. It is there. Well now, it would appear from the records, have you a knowledge that on the same day, or, let me put it this way, have you any knowledge of any cheque having been made out to apply on this payment previous to this cheque which completed the deal?

A.—Well, there were two cheques made out, I think, \$10,000 each, but I have nothing to do with those.

Q.—You didn't know anything about them?

A.—No.

Q.—You don't know who made them out?

A.—From my office we issue what is called a voucher that is attached to the cheque that goes to the man to sign when he receives his cheque. I keep a card like this.

Q.—File that; that shows two payments of \$20,000; and deposit of \$100. But these two cheques that were made out on the same day previous to the cheque which finally completed the transaction, had you given authority for those?

A.—No, sir.

Q.—Had you sent a voucher through for them?

A.—No, sir.

Q.—You don't know how they came to be made out?

A.—No, sir, I don't know anything about them.

Q.—You do know they were made out, and subsequently what was done with them?

A.—They were cancelled. I don't think they were ever sent.

Q.—The evidence will show. That will be brought out. I don't know that it is an important point, but I want to clear it up that there were these two cheques. Now can you state as to the practice in the Highways Department in paying for these lands and issuing cheques, as to the practice of signing. Who was the signing officer for the Department?

A.—Why, the accountant and the Deputy Minister.

Q.—The accountant was Mr. —

A.—Mr. Austin first when I came there and Mr. Scott later on, and Mr. Brown.

Q.—In 1920?

A.—That would be Mr. Austin.

Q.—He was the accountant. He would naturally sign the cheque?

A.—Yes, sir.

Q.—And it would be countersigned by?

A.—Mr. McLean.

Q.—The Deputy Minister. That was the usual practice followed on all these transactions?

A.—I never knew it to be varied.

Q.—Did it vary in this case?

A.—Absolutely so.

Q.—You know it did?

A.—Yes.

Q.—The cheque for \$20,900 which finally completed the transaction, by whom was that signed?

A.—By Mr. Biggs.

Q.—Signed or countersigned?

A.—Countersigned by Mr. Biggs.

Q.—Who signed it?

A.—I cannot tell you off hand, The cheque is here in the room. It will speak for itself.

Q.—Was it Mr. Austin signed it?

A.—I cannot tell you.

Q.—Is the cheque here?

A.—Yes. Mr. Brown has the cheque.

MR. LEWIS: Then this property, this twenty-two acres, how much of that did you need?

A.—Four acres.

Q.—What was the reason for purchasing the entire block rather than the four acres that you needed?

A.—We often can do that, Mr. Lewis, and sell the balance and save a good deal of money. I presume that was the course that was pursued in this case.

Q.—That is, you can sometimes purchase a block, take out what you need and resell the balance so as to save money over what you would have paid?

A.—Yes, in this case we split the farm right up the middle.

Q.—You were running the highway through this twenty-two acres?

A.—Right through the middle.

Q.—Leaving half on each side?

A.—Half on each side.

Q.—Would that depreciate or appreciate the value of the land?

A.—It would depend on what you were going to use it for. For subdivision purposes, it would increase it. If it was going to be used for farm purposes, it would materially affect it.

MR. GRAVES: How much area was left? Would that be approximately nine on each side; eighteen and the four you took, twenty-two?

A.—Yes.

Q.—Nine on each side. Wouldn't that make those two nine acres pretty valuable for subdivision purposes?

A.—Yes.

Q.—Even for fruit farming?

A.—Well, of course I am not experienced in fruit farming.

Q.—You could put fruit on it? It is very good land?

MR. LEWIS: But for purposes of subdivision, your information is that this land by the construction of the highway was increased in value?

A.—I would consider so.

Q.—You have had considerable experience?

A.—I have had considerable experience.

Q.—And you are a man of experience in dealing with property?

A.—Yes.

Q.—And as a result of running this highway through this twenty-two acres and leaving half of it on each side, with frontage on each side of the road, you now tell the Committee that for subdivision purposes it would increase in value?

A.—Yes, sir.

MR. MCCREA: Let me ask in fairness there. Do you know whether any of the land has been used for subdivision?

A.—It has been subdivided since.

MR. LEWIS: Then follow this particular piece of land. After you had deducted your four acres that you needed for the highway, what disposition was made of the balance?

A.—The balance was negotiated with Mr. W. D. Flatt for property we were taking from him for highway purposes.

Q.—And for a consideration?

A.—A consideration of \$3,000.

Q.—Three thousand dollars cash and certain parcels of land that you were taking for highway purposes?

A.—Yes.

Q.—Is that all shown on this plan?

A.—Yes.

Q.—I think we had better have the plan produced now.

HON. MR. MCCREA: Show us on this plan the twenty-two acres purchased from Mr. Bray?

A.—This is the Hamilton Highway there.

MR. LEWIS: This is going east?

A.—There is north up there.

HON. MR. MCCREA: It starts at the Hamilton Highway where the Hamilton Highway is intersected by York Boulevard shown on the plan?

A.—Yes.

Q.—The Flatt property purchased for the Department and the present twenty-two acres or the Bray property started on the eastern boundary at the Hamilton Highway where it is intersected by York Boulevard as shown on the plan now being examined?

A.—Yes, sir.

Q.—And extends?

A.—This is the one line; this is the other line. The highway splits right up the middle and it runs to this point.

Q.—Is that westerly or east?

A.—That is westerly.

Q.—And runs westerly to point A as shown on the plan?

A.—Yes, sir.

Q.—Includes up to lot number?

A.—It includes right up here to the river.

Q.—Includes lots shown on the plan up to the river at Lot No. 12?

A.—This was not subdivided at the time we bought it.

Q.—The subdivision as shown on the plan was made subsequent to the sale by the Department of Highways?

A.—Well, as far as I know.

Q.—To Mr. Flatt?

A.—It is registered Plan 648.

Q.—Is York Boulevard as shown on the plan the road made by the Highways Department?

A.—Yes, sir.

Q.—How far to Hamilton?

HON. MR. BIGGS: I think about three quarters of a mile from there to the borders of the city and probably a mile from there to where there is any population. There is, that road runs from about a mile and a half to any population.

HON. MR. MCCREA: It is within about three-quarters of a mile to the city limits?

A.—Yes, I should judge.

MR. LEWIS: Then this which was bought from Mr. Bray and the balance of eighteen acres—that is right?

A.—Yes.

Q.—Was afterwards sold to Mr. Flatt?

A.—Yes, or traded to him.

Q.—Was a long narrow strip of twenty-two acres?

A.—Of eighteen acres, yes.

Q.—The original?

A.—Yes.

Q.—And when this York Boulevard was constructed through it, it left it as we see it on the plan, with frontage on each side of the road very suitable for subdivision, you say?

A.—Yes, sir.

Q.—And as a matter of fact is now so subdivided for sale.

HON. MR. MCCREA: You said, Mr. Anderson, that for subdivision purposes as laid out by the plan, the land sold to Flatt has a higher value than when purchased from Mr. Bray?

A.—Yes, Mr. McCrea. I consider any land that is subdivided is worth more than ordinary farm land.

MR. LEWIS: And of course when you make that general statement that any land that is subdivided is worth more than farm land, would you say this, that a subdivision on a main, travelled highway?

A.—That is what I have reference to.

Q.—Close to a city.

HON. MR. MCCREA: Now, Mr. Anderson, the twenty-two acres purchased from Mr. Bray cost \$21,000?

A.—That is what was to be paid for it, but there was \$21,100 paid.

Q.—No, \$21,000 was all that was paid?

A.—There was another cheque for \$100 later on in February.

Q.—But the final cheque was for \$20,900, and with the \$100 previously paid, made a total of \$21,000?

A.—But then there was another cheque after that.

Q.—For how much?

A.—One hundred dollars.

Q.—So that total price paid was \$21,100?

A.—That is what it cost the Department.

Q.—Then the eighteen acres balance was sold to Mr. Flatt?

A.—Trades to him for other lands.

Q.—And Mr. Flatt paid for them in the following manner; by paying \$3,000 cash?

A.—Yes.

Q.—To the Department of Highways, and by turning over to the Department of Highways certain other lands which the Department of Highways required for road purposes?

A.—Yes, sir.

Q.—Have you a list of the other lands required for road purposes that Mr. Flatt turned over in this trade to the Highways Department?

A.—Yes, Mr. McCrea.

Q.—Will you produce it?

A.—This top list here.

MR. LEWIS: Perhaps I will read it.

HON. MR. MCCREA: What was the value of the land, according to the statement you now produce (Exhibit 14) which Mr. Flatt turned over to the Department?

A.—Twelve thousand dollars.

Q.—How was that \$12,000 made up?

A.—That was on the agreement between he and Mr. McLean.

Q.—But what does the \$12,000 represent in land parcels according to the valuation of Exhibit 14?

A.—It represents this land here. It is 4.56, but it should be 4.5. I have a correct list here.

Q.—What was the area of the land turned over by Mr. Flatt to the Department of Highways at a figure of \$12,000?

A.—Four acres and a half.

Q.—Four acres and half for \$12,000. Will you read the list of the parcels that went to make up the four and a half acres for \$12,000?

A.—Lot 13, Concession 1—one acre point five six (1.56 acres).

Q.—Who was that purchased from?

A.—W. D. Flatt.

Q.—W. D. Flatt, Lot 13, Concession 1, 1.56 acres, \$4,105.25?

A.—Yes, sir.

Q.—What is the next?

A.—William Botilton, Lot 13, Concession 1, .27 acres, \$710.53.

Q.—T. J. Coughlin?

A.—Lot 15, Plan 15, 1.31, \$347.37. W. D. Flatt, Lots 6, 7, 8, 9, 10, 11, 12, and 13 in Plan 15, 1.33 acres, \$3,500. A. McArthur, Lot 1 and 2, Plan 49, .03 acres, \$78.95.

Q.—Total? 4.50 acres?

A.—At \$12,000.

Q.—Twelve thousand dollars. Look at Exhibit 13, which is the plan produced showing the location of the eighteen acres sold to Mr. Flatt. Will you indicate where the lots which Mr. Flatt traded to the Government for \$12,000 lie?

A.—This part here is subdivided from this line over to bridge number one, known as the Alexander Milne property.

MR. LEWIS: You might describe it by saying it lies immediately south, on the south side of the river.

HON. MR. MCCREA: A better way of describing it would be between the Bray property and bridge number one. T. J. Coughlin is Lot 15 which is immediately west of bridge number two as shown on Exhibit 13?

A.—Yes. William Boulton is between the two bridges.

Q.—William Boulton is between bridge one and bridge number two?

A.—Yes, just immediately southwest.

Q.—And adjoins the Bray property?

A.—The lots referred to as 6, 7, 8, 9, to 13 is on the Guelph Road. This is where it turns into Hamilton. This is the Guelph highway; here is Lots 6, 7, 8 to 13.

Q.—Are you able to say, Mr. Anderson, from your knowledge of lands in that section whether the lands traded by Mr. Flatt to the Government for \$12,000 had a greater value or a less value or a comparatively equal value to the lands purchased by the Highways Department from Mr. Bray when they paid him \$21,100 for the twenty-two acres, per acre?

A.—I don't think Mr. Flatt's land was worth any more per acre than the land we bought from Mr. Bray.

Q.—Do you think Mr. Bray's land that he sold to the Government for \$12,000 was worth—do you think Mr. Flatt's land that he sold to the Government for \$12,000 was worth any more than the Bray land?

A.—No, I don't think so.

Q.—Then would you in fairness say it was all about comparatively similar values?

A.—Yes.

Q.—Would there be some portions of the Bray property more valuable than other portions of the Bray property?

Q.—Yes, sir.

(After a short adjournment for an impending division in the Legislature).

HON. MR. MCCREA: Was Mr. Bray in any way connected with Mr. Flatt so far as your department knows in his dealings of these properties?

A.—Not that I know of.

Q.—How long after the Government paid Mr. Bray for his property until it was sold, the balance of it, to Mr. Flatt?

A.—About a year, Mr. McCrear.

Q.—About a year?

A.—About a year according to correspondence that is in the office.

Q.—Do you know when the subdivision of the eighteen acres balance of the Bray property was made?

A.—I don't know.

Q.—Have you anything on record to show whether the balance of the Bray property which was sold to Mr. Flatt was negotiated for by private sale or by public competition?

A.—It was negotiated by private sale with Mr. McLean, the Deputy Minister.

Q.—You had nothing to do with the negotiations?

A.—Nothing whatever.

Q.—So that to sum up, Mr. Anderson, you state that the eighteen acres over and above the requirements of the Department acquired from Mr. Bray and which cost about \$1,000 an acre was sold to Mr. Flatt for \$15,000?

A.—Fifteen thousand dollars; \$12,000 in exchange and \$3,000 in cash.

Q.—And you contend that the eighteen acres sold to Mr. Flatt for \$15,000 had a higher value than when it was purchased from Mr. Bray?

A.—I would consider so.

Q.—And that the higher value arose by reason of the fact that the Government constructed a highway through the centre of it and for subdivision purposes, for which Mr. Flatt put the land, gave it an enhanced value that it did not have when they bought from Bray?

A.—Very much so, Mr. McCrea. Just referring to the plan you will see the narrow frontage he had fronting on the road and the depth of it. Now he has two fronts all the way through the depth of it practically.

Q.—What percentage of increase in value do you say this land sold by the Highways to Flatt had over the land when purchased from Bray?

A.—I cannot give you any percentage of increase in value because it was not subdivided when we sold it to Flatt.

Q.—But if it was suitable for subdivision purposes as you have sworn it is, what would be the increased value when subdivided?

A.—Well, I would judge from—any place from thirty to fifty per cent.

Q.—Thirty to fifty per cent. Then according to that, in your judgment, the Department should have had seven or eight thousand more for the land they sold to Flatt than they got?

Q.—Had we subdivided it and sold it ourselves I think we could have possibly made that much.

MR. LEWIS: Leaving out the question of subdividing it and selling it yourself, buying this, as you have said you do, these blocks, for the purpose of saving the Department, after you had run the highway through it and you looked about for a purchaser, wouldn't you add to that value some of the value that was going to be incurred by subdividing?

A.—I would have done it had I had an opportunity.

Q.—You think it should have been done?

A.—I think it should have been.

MR. GRAVES: You didn't handle this transaction?

A.—Not the sale.

MR. LEWIS: Was it ordinary practice in the Department in selling these lands that were taken in block for you to handle the resale?

A.—Probably so, yes.

Q.—Generally you did handle the resale?

A.—Yes.

Q.—There were some cases in which you didn't?

A.—This is one.

Q.—Are there any others?

A.—Well, I think so, but I cannot say so off hand.

Q.—But following the ordinary practice in the Department, they would have left it for you to handle the resale of this property?

A.—Either that or I would have been consulted in the matter.

Q.—You were not about this?

A.—No, sir.

Q.—When was the first you knew of this contemplated sale to Flatt?

A.—When the letter from Mr. Flatt to Mr. McLean went on file.

Q.—And you saw it on the file?

A.—Yes, sir.

Q.—It was not referred to you?

A.—No.

Q.—The transaction was not referred to you at all?

A.—No, sir.

Q.—Your opinion as to the value was not asked?

A.—No, sir.

MR. GRAVES: It was asked though when you bought the land?

A.—It was one of my men that bought the land.

Q.—What is Mr. Flatt, is he a real estate man or a farmer?

A.—Well, I presume that he is a real estate man.

Q.—He is the Hamilton Flatt, subdivider?

A.—Yes.

MR. LEWIS: He is known in the business?

A.—I think so.

Q.—I am going to be more modest in my ideas of the values of this land than Mr. McCrea was when he was questioning you; take the value of the land when it was purchased from Mr. Bray; approximately \$1,000 an acre?

A.—Yes.

Q.—When the eighteen acres were sold to Flatt, leaving out the question altogether of the possibility of subdivision, was the property worth less than when it was purchased? Of course you have already said no. Then I want to ask this; if it had been sold even at the value it was purchased it would have brought more than it did in this sale to Mr. Flatt?

A.—Very much so.

Q.—It would have brought several thousand dollars more?

A.—Yes, sir.

Q.—Leaving that and taking up the question of the values of the land that are part of the payment for this by Bray, for this purchase, this four and one-half acres which were part of his purchase price, what do you say as to the value of this land?

A.—I don't think they are any more valuable than other lands; we have bought land adjacent.

Q.—The purchase price of \$12,000 is slightly less than \$3,000 an acre?

A.—Yes.

Q.—Do you think it is worth that?

A.—We bought adjacent for \$1,000 an acre.

Q.—Did you buy lands from other parties for the same purpose in the same neighbourhood?

A.—Right adjacent, for \$1,000 an acre.

Q.—Can you show us some of the lands on this plan?

A.—Yes, sir, here is one right here. Mr. Flatt turned in Lot 13.

Q.—Marked on the plan, T. J. Coughlin.

A.—Marked on the plan, Coughlin, he turned in Lot 13, Lot 12 in Plan No. 15; we paid \$1,000 an acre for Lot 14 in the same Plan No. 15.

A.—And lying between.

A.—The two parcels we bought from Mr. Flatt.

Q.—You bought part of Lot 14 which lies between Lot 15 bought from Mr. Flatt and Lot 13 bought from Mr. Flatt?

A.—Yes, in Plan 15.

Q.—And what did you pay Flatt?

A.—One thousand dollars.

Q.—What did the Government pay Flatt?

A.—Twelve thousand dollars for 4.5 acres.

Q.—Of the same kind of land was it?

A.—Yes, same kind of land.

Q.—They are all on the same road, and adjacent to each other?

A.—Adjacent to each other.

Q.—Not only adjacent but connected, parts of the same plan?

A.—In between.

Q.—So that in connection with that would it be fair to say that you think you could have gone out and purchased this piece of land turned over to the Government by Flatt at the same price you paid for these lands?

A.—Well, I don't know if I could from Mr. Flatt.

Q.—Well, if he hadn't sold to you and you had exercised the right of the Department to expropriate.

A.—I think if the Department had expropriated it would have cost no more than we paid for adjacent land.

Q.—So for these $4\frac{1}{2}$ acres the Government allowed Flatt \$12,000, you think it could have been procured—in fact how strong do you want to make that—that this $4\frac{1}{2}$ acres could have been procured for say \$4,500?

A.—I would say so?

Q.—You say you think it could have been procured for that?

A.—On arbitration.

Q.—On arbitration?

A.—Yes.

Q.—And you are speaking now as a result of your experience in dealing with this class of matter?

A.—Yes, sir.

HON. MR. BIGGS: In the offset of your evidence you said you came in the Department, when?

A.—January 1st, 1918.

Q.—And when did you leave the Department?

A.—March 1st, 1923.

Q.—And rejoined the Department when?

A.—Sixth of October, 1923.

Q.—Sixth of October?

A.—1923.

Q.—Then you were out of the Department how long?

A.—About seven months I should judge.

Q.—And for what reason were you out of the Department?

A.—I resigned from the Department.

Q.—You resigned?

A.—Yes, sir.

Q.—Dissatisfied?

A.—I was dissatisfied, yes.

Q.—In connection with this Bray plan, Mr. Anderson, about how much of the Bray land was workable land, fit for subdivision? How much of it was under cultivation, or open land, fit for cultivation?

A.—I cannot tell you how much was under cultivation I would judge—I haven't made any measurements of it, but I would judge eighty or eighty-five per cent. of it of that was fit for subdivision.

Q.—Eighty or eighty-five per cent.?

A.—I would judge that; not having measured it I cannot tell you exactly.

Q.—I think if you would look at the plan probably you could come a little closer to an idea of that?

A.—I have studied the plan very thoroughly, Mr. Biggs.

Q.—The portion there, which the right-of-way was taken, was that all taken from the better portion of land, or land that was fit for subdividing?

A.—Yes, sir.

Q.—All taken from that part of the land?

A.—Yes.

Q.—Therefore the better part of the land was decreased by four acres but the rougher land that was not fit for subdivision was not decreased at all?

A.—No.

Q.—I don't know that I have any more questions to ask.

HON. MR. MCCREA: Mr. Biggs asked you something as to your resigning because you were dissatisfied with the Department; what was the cause of your dissatisfaction that he refers to?

A.—My salary.

HON. MR. BIGGS: There was no dissatisfaction on the other side at all?

A.—Not that I heard of. Nothing ever said to me. Did you ever say anything to me, Mr. Biggs?

HON. MR. BIGGS: No, but I don't think I will go into this point at all. I might say a lot.

MR. GRAVES: You say you traded this one property to Mr. Flatt for some other property?

A.—Yes.

Q.—Do you know when Flatt bought this other property?

A.—The deal was consummated I think by a letter from Mr. Flatt to Mr. McLean on August 11th, 1921.

Q.—I mean do you know when Flatt bought the property that was traded?

A.—No, I haven't any idea.

Q.—You don't know whether that was bought by him after the Department had made up its mind to go through there?

A.—Oh, no, Mr. Flatt owned that property before we went through there. That was the old Guelph highway. The road was open—

HON. MR. MCCREA: There has been some suggestion and probably it might be cleared up now, that Mr. Flatt was some relative of yours, Mr. Biggs?

HON. MR. BIGGS: No, Mr. Flatt is no relative of mine at all. This W. D. Flatt, Mr. W. D. Flatt's brother, D. C. Flatt, his son married my sister; there is absolutely—there is no connection at all.

HON. MR. PRICE: Did you marry a Flatt?

HON. MR. BIGGS: No.

HON. MR. PRICE: What relation is your wife to the Flatts.

HON. MR. BIGGS: None whatever.

MR. LEWIS: Then Mr. Flatt's nephew married your sister?

HON. MR. BIGGS: Yes.

MR. GRAVES: I was out for a moment; you were in the Department during the whole of this transaction?

WITNESS: Yes.

Q.—And you had something to do in connection with the purchase of that first property?

A.—The Bray property?

Q.—Yes?

A.—Well, one of my men.

Q.—And you had something to do, more or less, with the setting of the value?

A.—Yes.

Q.—You were valuator?

A.—Yes.

Q.—Did you have anything to do with the setting of value with the property of Flatt's?

A.—Nothing whatever, never was consulted.

Q.—Never asked about the property that they were taking over?

A.—The Flatt deal was—there is a letter on file explaining that, which has been asked for, I think, by the Committee. I have a copy of it here. Possibly there won't be a copy when it comes to be asked for.

Q.—What letter is this?

A.—That is the letter, the deal between Mr. Flatt and Mr. McLean.

Exhibit Number 15; witness files letter from W. D. Flatt to W. A. McLean, Deputy Minister, dated August 11th. Exhibit number 15, covering what?

A.—The arrangement between Mr. McLean and Mr. Flatt with regard to the transfer of the 4.5 acres for \$12,000.

Q.—Have you also a letter from Mr. Evans, Mr. Flatt's solicitor?

A.—Yes.

Q.—I think we had better have that.

HON. MR. MCCREA: Witness produces a letter dated August 12th, 1921, from W. G. Evans, solicitor for Mr. Flatt, to Mr. W. A. McLean, Department of Highways.

Exhibit Number 16.

That is all, Mr. Anderson.

W. H. BROWN called; sworn.

Q.—Your full initials?

A.—W. H. Brown.

Q.—What is your occupation?

A.—I am acting accountant, Department of Public Highways.

Q.—How long have you been acting accountant?

A.—Since December 1st, 1924.

Q.—Were you in the Department prior to that?

A.—Oh, yes, from September, 1920.

Q.—You have been in the Department of Highways since what time?

A.—September, 1920.

Q.—In the accounting department?

A.—Yes.

Q.—Were you in the accounting department when certain checks were paid to Mr. Bray in respect of a land purchase along the Hamilton Highway?

A.—Yes, sir.

Q.—What cheques were drawn up in respect to that land?

A.—There were two cheques for \$10,000 each drawn and cancelled, one in part payment and one in full payment for property, and one for \$20,900 in payment in full for the same property.

MR. LEWIS: Take this a little slowly and give us the history individually. What was the number of the first?

A.—734393.

Q.—And how is it made out?

A.—That is drawn payable to A. Bray for \$10,000 and marked "payment in full for property."

Q.—That is the first cheque, is it?

A.—It is the first cheque, I think—and there is another witness called to submit the first cheque.

HON. MR. MCCREA: Do you know about both cheques?

A.—Yes.

Q.—You tell us about both cheques. Which is the first in order?

A.—73490.

Q.—What was the date of that?

A.—September 30th, 1920.

Q.—And how much is it for?

A.—\$10,000.

Q.—And what was it for?

A.—It is in partial payment on property.

Q.—Do you say that was subsequently cancelled?

A.—Cancelled, yes.

Q.—What reason?

A.—No reason given.

Q.—What was the next cheque?

A.—73493.

Q.—What for?

A.—\$10,000.

Q.—Date?

A.—September 30th, 1920.

Q.—To whom?

A.—A. Bray.

Q.—For how much?

A.—\$10,000 payment in full for property.

Q.—Was that cheque—

A.—Cancelled? Yes.

Q.—Used?

A.—No, cancelled.

Q.—Any of these cheques were used?

A.—No.

Q.—Ever signed?

A.—No, neither.

Q.—Are you able to say that the cheques were not used?

A.—No, no knowledge.

Q.—What other cheque—

MR. LEWIS: Both these cheques were made out on the same day and practically at the same time?

A.—Yes.

Q.—On whose authority?

A.—Well, there is no—

MR. GRAVES: Who made the cheques out? Did you?

A.—No. There would be a cheque writer, but there isn't anything in the office to show why it was made out, no voucher.

Q.—Who would give orders for a cheque being made out, the Deputy Minister?

A.—No, a voucher would be forwarded from the property department which would bear certain signatures, and these signatures would be authority for that cheque to issue.

Q.—There would be authority then to issue these cheques?

A.—There should.

Q.—That would be the ordinary course?

A.—Yes.

Q.—Have you any evidence that was done in this case? Have you been able to find such voucher?

A.—No.

Q.—Order-in-council?

A.—No.

Q.—Do you know whether such order was issued?

A.—No, I do not know.

HON. MR. BIGGS: Can you tell us any reason why these two cheques would not total the amount of the option given; they apparently are not for the right amount?

A.—They don't total it, that is the only reason I know.

Q.—Do you suppose that would have any bearing on these two cheques eventually not being signed and not going out from the Department?

A.—Probably may do, yes.

Q.—There is a possibility on account of the cheques having been written and consecutively numbered they were not for the right amount, for that reason they were not signed?

A.—Except that it states distinctly one is in partial payment and the other in full payment.

HON. MR. MCCREA: But on the same date you have a third cheque, September 30th, 1920?

A.—73494, that one is drawn in favor of A. Bray for \$20,900.

Q.—What was that for?

A.—Payment in full for property.

Q.—Who signs that cheque?

A.—That is signed by L. W. Burwash, for accountant, and countersigned by F. C. Biggs.

Q.—Were the persons whom you have named as signing and countersigning the persons who usually sign cheques?

A.—No.

Q.—Who would usually sign these cheques?

A.—Well, the accountant or somebody authorized to sign for the accountant would sign and be countersigned by the Deputy Minister or some person authorized to countersign for him.

Q.—Do you know why on this cheque for \$20,900, different persons signed this cheque?

A.—No, I do not.

Q.—Will you produce these cheques—three cheques? Check number 73490 is filed and marked as Exhibit number 17. Cheque 73493 is filed and

marked as Exhibit number 18, and cheque number 73494 for \$20,900 is filed as Exhibit number 19.

MR. FISHER: What is the total of the two smaller cheques?

A.—\$20,000.

Q.—What is the third cheque?

HON. MR. MCCREA: \$20,900.

HON. MR. BIGGS: Just before you leave these cheques Mr. Chairman. When did you say you came into the Department?

A.—September, 1920.

Q.—That is about the time these cheques were written, or before?

A.—Just before.

Q.—Have you any knowledge whatever that the cheque for \$20,900 was ever out of the custody of the Highway Department?

A.—No, sir.

Q.—You never heard that it got away from the building at any time at all?

A.—I saw it in the newspaper, yes, that is—

Q.—You say in the newspaper?

A.—Yes.

Q.—What did the newspaper say?

A.—Said that the cheque had been produced on a public platform in the City of Toronto.

Q.—This same cheque had been produced on a public platform in the City of Toronto, by whom?

A.—By Hon. Mr. Ferguson.

Q.—It has been produced on a public platform in Toronto by Mr. Ferguson? About what time?

A.—I have no recollection of the time. I cannot place it.

Q.—You cannot recall the date?

A.—No.

Q.—About the time of the past Provincial election?

A.—I cannot say.

HON. MR. PRICE: Do you know this of yourself, Mr. Brown?

A.—No, sir; I just read it in the paper.

Q.—You do know whether it is a fact or not?

A.—No, I don't.

HON. MR. BIGGS: You didn't hear any gossip or talk around the Highways that that cheque got out of the files?

HON. MR. MCCREA: We are not hearing about gossip.

HON. MR. BIGGS: We were hearing quite a bit this session.

Q.—You never heard about this cheque getting out of the Highways Department at all?

A.—Only the usual gossip that would be around after the report appeared in the newspaper.

Q.—You cannot say yourself whether the cheque was out or not?

A.—No, sir, I cannot.

HON. MR. MCCREA: Are there any other cheques in connection with this transaction? Mr. Anderson seemed to intimate that in addition to the \$100 originally paid and the \$20,000, making a total of \$21,000, there was another \$100 paid?

A.—Yes, there was.

Q.—Where is that cheque?

A.—That is cheque 108986, drawn in favour of Messrs. Cleaver & Cleaver, on February 17th, 1921.

Q.—Have you the cheque?

A.—Yes, and a voucher.

Q.—Witness produces cheque 108986, February 17th, 1921, payable to Cleaver & Cleaver, re A. Bray property. What was this extra hundred dollars for?

A.—I don't know, it tells on the back.

Q.—It is marked on the voucher, road allowance?

A.—Turn up the face of the voucher please—In payment in full for road allowance diversion.

Q.—Is that the same A. Bray in connection with this twenty-one acres?

A.—Yes.

Q.—What was this extra \$100 for, except as the voucher states. Exhibit 20.

MR. FISHER: Do you know?

A.—Only from the record, sir. I was just trying to place that. It is because of the expiration of the option, I understand.

MR. GRAVES: Well, that is what I was going to get at. There was originally an option?

A.—Yes.

Q.—Taken from Cleaver as agents for this man?

A.—Yes.

Q.—And Cleaver received \$100 as deposit?

A.—That is not this \$100.

Q.—But this took the place of it, didn't it?

A.—No.

Q.—Two hundred dollars!

MR. LEWIS: Cleaver received \$100 as payment on the option to bind the option in May and then the cheque to complete the transaction is issued on the 30th of September, and then this cheque for another \$100 was issued in October.

MR. GRAVES: I know.

Q.—February! But what happened to the first \$100. Was that paid as a deposit on the purchase or was it ever paid.

MR. LEWIS: The evidence Mr. Anderson gives, it was paid as a deposit and to apply on the purchase.

MR. GRAVES: But in the settlement it didn't. Did the option set that out?

HON. MR. BIGGS: Set out the fact, the second option, that the \$100 paid was to apply on the purchase of property?

MR. LEWIS: Well, here is a letter, copy of a letter, memo from Mr. McLean, reads:

Toronto, November 18th, 1920.

"Memorandum for Mr. McLean:—

Re Bray Option at Hamilton Entrance.

In addition to our conversation of a few days ago about the above matter, I may say that I have discussed this matter with Mr. Milmine who took the option and he is very emphatic in his statement that Mr. Bray thoroughly understood that the moneys paid on the option were to apply on the purchase price in case the option was taken up and the deal put through.

In all cases I have known earnest money paid in any transaction applies

on purchase price whether specially noted in the agreement or not and I do not think that the ruling of Messrs. Cleaver & Cleaver, Barrister, etc., could be substantiated in court.

Property Valuator.

MR. FISHER: Is the option not available?

HON. MR. MCCREA: The option was produced here.

MR. FISHER: Is it just an option or just a payment?

HON. MR. BIGGS: Just an option.

HON. MR. MCCREA: Well, perhaps Mr. Biggs can you tell us why, having signed the cheque for \$20,900, the option price being \$21,000 and the two \$10,000 cheques having been cancelled and not used because, as you stated a few moments ago it was not sufficient, why the extra, why the amount was not completed at the time you signed the cheque or why the transaction completed as to payment when you signed the cheque for \$20,900?

HON. MR. BIGGS: As I stated, Mr. Chairman, the other day, this option was expiring on the first of October if I recall properly and the Secretary of the Department brought to my attention this fact and I told him to give the matter attention, that the option should not be allowed to expire. And he did, and he informed me later in the day that the regular signing officer, Mr. McLean, was not in the city. I didn't know that there had been two cheques. This is the first I knew of two cheques being written for \$10,000 each, apparently. I don't know why they were written. They were not signed. I don't know myself why they were written. The matter, as I understood it, was that the property was to cost \$21,000, and there had been \$100 paid for the privilege of the second option, and that is the reason that I signed a cheque for \$20,900. But I believe Mr. Bray's solicitors, Cleaver & Cleaver, would not agree later that the \$20,900 was full payment, and the option I don't think set forth the fact that it was to apply on payment, and later, after negotiations were carried out—not by myself, but I think by the Deputy in the Department, the extra \$100 was paid, the principal reason being that the second option, when given the privilege of a second option, it was argued by Cleaver & Cleaver, was given for a consideration of \$100, but the \$100 was not to apply on the purchase of the property.

HON. MR. MCCREA: I suppose it would be fair to Mr. McLean to say his recommendation was to the effect that the \$100 should apply on the option and the memo., Exhibit number 21, which was put in, shows that he understood, after going into the matter, that it should be included as part of the purchase price.

MR. FISHER: I suppose as a matter of law if it didn't say that it wouldn't.

HON. MR. BIGGS: The last voucher and \$100 cheque, who signed those, recommendations and cheque, who signed the last voucher?

HON. MR. MCCREA: For the \$100?

A.—Yes, and signed the cheque also.

HON. MR. MCCREA: There is no signature on either of the recommendations.

MR. LEWIS: Mr. Brown says those are duplicates and do not bear the signatures?

A.—The original is in the possession of the Provincial Auditor.

HON. MR. MCCREA: Well, at all events the purchase price of the property was eventually \$21,100 apparently. There was an option—

HON. MR. BIGGS: For \$21,000 and a dispute arose over the \$100—

MR. LEWIS: That second option was given in May?

HON. MR. BIGGS: Yes, for \$100.

MR. LEWIS: In May?

A.—Yes.

HON. MR. LEWIS: And expired in August?

HON. MR. BIGGS: Oh, no.

MR. LEWIS: Yes.

HON. MR. BIGGS: Yes.

MR. LEWIS: You said a little while ago the option expired October 1st?

HON. MR. BIGGS: Well, I have had no opportunity of refreshing my memory. I don't want to get anything down that is not right.

MR. LEWIS: You would not dispute the evidence of Mr. Anderson that the option didn't expire in August?

HON. MR. BIGGS: Well, there must have been something to close this deal when the option expired. There must be some correspondence or something, because—we will call Mr. Bray later. He may be able to clear this matter up.

HON. MR. NIXON: Wouldn't the first option of \$100 be forfeited when the second option was asked for?

HON. MR. MCCREA: Well, the papers produced by Mr. Anderson this morning, the records show that the option was taken in the first place for \$21,000, then some time in May there was an extension of it granted up until the 19th of August for \$100.

HON. MR. NIXON: Well, the one option of \$100 did apply then on the purchase price but the other didn't.

HON. MR. MCCREA: It might bear that interpretation. Apparently there is nothing on the records to show that there was a second option taken for the second \$100.

MEMBER: That is what has confused it.

HON. MR. BIGGS: But Mr. Brown, the amount paid, and the cheque issued which bears my signature of \$20,900, doesn't in any way exceed the option that the Department got. It doesn't exceed the option by any amount of money that the Department had with Mr. Bray?

A.—The option is for \$21,000 and Bray did get \$21,100.

HON. MR. BIGGS: No, the cheque that I signed—

HON. MR. MCCREA: The cheque you signed was for \$20,900—

MR. LEWIS: To complete purchase.

HON. MR. BIGGS: And the cheque was turned over to whom, have you that?

A.—No. Yes, we have.

HON. MR. PRICE: I think you said that you obtained the cheque and you took it down.

HON. MR. BIGGS: Yes, the option was expiring; I haven't had time—

Q.—Was there any evidence that the option was expiring that day?

HON. MR. MCCREA: The evidence was it had expired in August—

HON. MR. BIGGS: It must have been renewed or something.

MR. FISHER: I would like to know myself whether the option has expired or not; if what was given was merely an option and they paid \$100 for it I suppose as a matter of law they were entitled to get the full purchase price in addition to the \$100. Somebody may have bungled in making the option, but isn't that all there is to it.

HON. MR. MCCREA: That is all there is to it.

MR. LEWIS: Before Mr. Bray is called, Mr. Brown, in connection with the cheque for \$20,900 which was signed you say by—

A.—L. W. Burwash, and countersigned by F. C. Biggs.

Q.—Do you know if Mr. Burwash was one of the ordinary signing officers in the Department?

A.—Yes, he was.

Q.—He did sign cheques?

A.—Yes.

Q.—Is Burwash in the Department now?

A.—No.

Q.—Did you hear of any comment by Mr. Austin, was it—was he auditor at that time?

A.—The chief accountant. No, I didn't.

Q.—No comment by him?

A.—There is this letter attached to the voucher that eventually came forward.

Q.—Memo for Mr. McLean. From Mr. Austin, is it? This is dated Toronto, October 26th, 1920:

“Memorandum for Mr. McLean,
Deputy Minister of Highways—

“It appears that on September the 30th, during my absence, a cheque was issued at noon hour while Mr. Smith was out. This was drawn in favour of A. Bray and was for the sum of twenty thousand nine hundred (\$20,900).”

Q.—Who?

A.—At that time senior clerk of the Department.

Q.—And did he sign the cheques?

A.—Yes.

Q.—He would be signing officer?

A.—Yes.

“This office was not given the papers in connection with the payment, which I believe was for the purchase of property, and no formal requisition was either drawn up or signed. To date we have not received any receipt or acknowledgment of this payment, and it is important that we receive this in time to return it to the Audit Department before the close of the present fiscal year.

Yours very truly,

G. E. AUSTIN, *Accountant*.

Q.—And there was no voucher record there for any of these cheques, either the two cancelled ones or the final one, \$21,900, that finally paid for it?

A.—Not at that time.

Q.—Vouchers were finally sent through?

A.—To cover the \$21,900 cheque.

Q.—Up to the time Austin wrote this memorandum for Mr. McLean he had received no authority for this cheque?

A.—No.

Q.—And no receipt for the money that—

A.—No.

Q.—So it would appear as if it had been put through rather more hurriedly than the ordinary procedure?

HON. MR. BIGGS: It was put through hurriedly because as I say I was going home that afternoon. In the forenoon Mr. Parker, the secretary, I

think, it was Mr. Parker, drew my attention I think over the telephone to the fact that this money had to be turned over to the solicitor of Mr. Bray that day or we would lose our option.

Now I think there must be another option taken, or extension taken to bring it to that point because as you see they were to take the land over on the 1st of October and the cheque was written just the day before, and when he drew it to my attention I said I am going up this afternoon and I can deliver this cheque as I am going home through Burlington. You make the necessary arrangements. He said Mr. McLean is not here to countersign, and I said you make the necessary arrangements to have this cheque properly drawn and bring it up and I will countersign it. Maybe I was wrong but my own opinion is I saved the Department quite a nice round sum of money by not letting the option expire, or allowing the deal to drop. And the vouchers and everything correspond, that there was no overpayment or under payment and it was not paid to Bray. It was paid to Cleaver & Cleaver.

Q.—You paid it to Cleaver?

A.—I handed it over to them personally as I went through.

MR. LEWIS: This is a fair statement, that the property had been under option?

HON. MR. BIGGS: Yes.

Q.—The Department to secure possession of it on October 1st, not that the option was expiring, but having exercised the option they were to secure possession October 1st. That is Mr. Anderson's statement. It is in the option.

HON. MR. BIGGS: The time of possession is in the option, there is no question about that, but I cannot say, I haven't, I cannot recall this all from memory. You understand I know nothing about the records at this time, but whatever was expiring or had to be done, had to be done that day.

Q.—Well, at any rate, this cheque was made out under your instructions?

HON. MR. BIGGS: Mr. Parker took it up with me and I told him to have the necessary cheque prepared, that whatever was lapsing or had to be done would not go by default.

Q.—And you carried it up to Burlington and delivered it to Cleaver & Cleaver.

HON. MR. BIGGS: To Cleaver & Cleaver.

MR. A. BRAY, called, sworn.

WITNESS: I think it was in May some gentleman came along there and they wanted an option on my place. I hesitated considerably and he still insisted and talked and one thing and another, and I said I will give you an option. In the first place, he said, what is the land worth. Well, says I, it is worth a thousand dollars an acre or more, but it just depends; some lands are worth more than others just around this district—

Q.—You wanted to get as much as you could?

A.—Well, I didn't. I could have got a lot more for it. But just one day and he would not have got it because I had it figured out at \$30,000, that place, and I can show you the figures.

Q.—That is, as a farm or subdivision?

A.—As a subdivision. I had \$30,000 out of that and my house there and three acres right at the back, and \$30,000, at the back—selling at \$10 a foot.

Q.—That was after the road?

A.—No, previous to the road; that was years ago.

MR. LEWIS: How many years ago?

A.—Ten years ago.

Q.—The agent approached you about getting an option?

A.—Well, I didn't want to give an option to tell you the truth for I knew what options were. He insisted on the option, or rather he told me to give him an option, and then he asked what the price of land was in this district. Says I it varies—a thousand dollars. What would you take for it? Well, I didn't know. I don't want to sell it. And with one thing and another—I will just take \$21,000 cash for it— Just like that! Well, he says, give me an option, and I says I don't care to do that. Nevertheless I gave him an option and for that option he gave me \$1,000 and it was to be \$21,000 in cash irrespective of the option as I understood. That was distinctly understood before he went away.

Now as regards speaking about making the money, I could have made money out of the land and I could make it out of it to-day if I had it. What fooled me, and I will tell you why you got it, is their engineers—here is a long narrow strip—if the map is here—a long narrow strip like this. Here is the place right here. From this point is 27 chains; 25 chains to that point, and a kind of a half circle here; and four acres at the back of good land but it was standing in brush. Now back to this part here from the front, to there, at \$10 a foot, would net me \$30,000, and my house and barn would stand there.

HON. MR. PRICE: Dividing it up and selling it.

A.—That was what I was waiting for. But I didn't get a chance. But what fooled me was the surveyors. They come through here, here, here, and I could never find out who it was. I thought it was the railroad. The railroad had been after me two or three years. I said if they come down here I am gone; I had better get what I can out of it.

HON. MR. MCCREA: It was in your mind that this property even with the road going through—

A.—It was worth more.

Q.—Had possibilities as a subdivision?

A.—Decidedly. I could have sold the front off several years ago.

Q.—And I suppose you think the place is worth just as much as when you sold?

A.—I am sure it is. Well it is in a way. Not for agricultural purposes, but it is as a subdivision.

Q.—And the fact is somebody else is going to make profits out of the subdivision and not you?

A.—That is usually the case. One waits 20 years, and somebody comes and takes it.

Q.—So the man who really gets the benefit of this subdivision is the man, Mr. Flatt, and not Mr. Bray. Isn't that a fair statement?

A.—That is the facts. The one that gets the subdivision gets the benefit.

HON. MR. BIGGS: Just before you go, you might give us a definite understanding, of your understanding, as to the cost. Was it to be \$21,000?

A.—\$21,000 cash.

Q.—Straight! And what about the option?

A.—The option was not to be included. I will explain that. When I got the cheque for \$29,000, from the lawyer—\$20,900 rather—I told him, says I, that is not correct. It should be \$21,000. He says did you agree for that. He says, well I will write the Department about that and I got a cheque afterwards—I got two \$100 cheques and one for \$20,900.

HON. MR. NIXON: What about the second option?

A.—No second option that I am aware of. One was all. The option was closed. I had a telegram I think it was the night before and the option was closed, and a couple of days previous I had a man at the place who wanted to buy and he said what will you take. Says I, I cannot sell it, there is an option, but the option expires at a certain time. He says, who is the option. Says I, I cannot tell you. I think it is the Highways but I cannot say for a fact. I didn't know until I got the cheque who it was. They had me blind.

HON. MR. BIGGS: You say you got a telegram advising you they intended taking up the option?

A.—Yes. The night before I got the cheque.

Q.—And then at a later date they had to make payment to you before October 1st—

A.—They sent a cheque right afterwards, and I got a cheque for \$20,900 from the lawyer and I never looked who signed it, only the Minister of Highways, I think it said, and I went straight to the bank and left it at the bank on my way home.

HON. MR. PRICE: What did you sign when you got it?

A.—Signed my name.

Q.—What did you sign, a deed?

A.—Oh, yes, the lawyer transacted it, the deeds.

HON. MR. PRICE: Did you sign the deed that day, that you got the cheque?

A.—Well, I cannot answer that as a fact.

Q.—Well you got the cheque right after the telegram and got a cheque and took it to your bank?

A.—The deeds was at the lawyers and I guess I must have signed it at the time I got the cheque. I cannot say. I forget.

Q.—Because we have had evidence here that there doesn't seem to be a record in the Department to the title. There may be on further search.

A.—The deeds were signed, were they not? If they were not fetch them along and I will sign them now. I got the money.

Q.—We are not blaming you. We wouldn't like to give you back your property?

A.—I will give you a little of the rake-off, you know. I don't say there was any rake-off you know. What I mean to say is profits.

HON. MR. BIGGS: Just in this connection. Do you ever remember meeting me in your life at all?

A.—No, I don't know you from Adam. I met you the first time, it was somewhere in that other room a week ago and I was inquiring if you were there.

Q.—And Mr. Milmine was the man who did all the business with you?

A.—I don't know him.

Q.—You don't know his name?

A.—I don't know him.

HON. MR. MCCREA: Would you say the Highway improves the property?

A.—Oh, it improves it for building purposes providing it is put through the centre. You see that is an ideal piece, it is 386 feet frontage—

Q.—The road comes through in an ideal way?

A.—It strikes this point at this point here, about where this highway comes right here.

Q.—Having regard to the whole property it is an ideal lot for subdividing?

A.—Oh, yes, it was, this part.

HON. MR. PRICE: Would you like to have it to sell?

A.—No, I don't covet another man's goods. If I cannot get it properly I don't want it.

W. D. FLATT, called, sworn.

WITNESS: If you don't mind, I will stand up.

HON. MR. BIGGS: In connection with this property purchase and transfer with you at Hamilton, I think the best way would be for you to just tell us what you know in connection with the matter?

A.—Honourable gentlemen, Mr. Chairman, and gentlemen. I don't know that it is too long a story; if you will bear with me possibly I will just try and cover the ground.

First, I think, considering that the atmosphere, as it were, is so clouded, so thick with mystery, with suspicion, with lack of confidence of these things, I might possibly place myself here, if I might be permitted, right, if I can.

HON. MR. MCCREA: You are a real estate dealer?

A.—I am not a real estate—yes, I am a real estate owner, purchaser, I am not a real estate agent.

Q.—But a dealer?

A.—I am, yes, sir.

Q.—You trade in—

A.—For twenty years I have been engaged in real estate in the City of Hamilton. To-day, I say this with a great deal of pride, I have the confidence of 100 per cent. of the people of Hamilton. There is not a bank in the City of Hamilton or a loan company in the City of Hamilton but what will respect any valuations or otherwise that I may make on a piece of property. Thirteen years ago—

HON. MR. MCCREA: Let us—

A.—I will draft away from that. I started purchasing land out in this district of the Bray lands. I say that because it has been, say, intimated so frequently and has come to my ears that that was tipped off and was told all about this new Highway entrance, but the facts are for ten years I have been working to get a bridge at the valley end which suited my property very much better than this high level entrance suited my property, and as I say, the particular piece of property that is the at east end of Bridge No. 1—now we are coming down to that property, pardon me—at the east end of Bridge No. 1; the Highways came along and expropriated this piece of property which belonged to me. I was not aware that the Highway Department was going over my lands in question there until I came along one evening and I saw eight men chopping down trees on this property. I asked them what they were doing and they said, we are working for a contractor of the Highways Department.

I immediately telephoned Mr. McLean in the matter, and said, Mr. McLean, surely I am well enough known that I should be communicated with if the Highways Department requires any of my property. Well, he said, we are in rather a hurry; that is going through, this highway entrance, and we are expropriating this property.

It was a unique piece of property at the east end of Bridge No. 1. The bridge was located there—I don't blame the Highways Department—it was located there from the fact that it saved the Highways Department at least \$25,000 to select that location over any other location that might have been selected in that district. The land jutted out as it were, what is known as the

Henry ravine. It gives one of the most valuable residential building sites around the City of Hamilton, and I prized it very highly.

Q.—You mean this property at the end of Bridge No. 1?

A.—This property at the east end of Bridge No. 1.

Q.—That would be on the Alexander Milne section?

A.—Yes.

HON. MR. NIXON: Had they not negotiated with you to buy this before this?

A.—No, sir, they did not. The men being there and the expropriation proceedings apparently came through together. I received expropriation proceedings I think about the same day or the day after. In any event the first I knew of it was the men cutting timber.

HON. MR. MCCREA: How long had you owned this very valuable property at the east of Bridge No. 1?

A.—I had only owned that property gentlemen, about a year, that is the property the new Highway—

Q.—What was the property in respect to which you said you had been working?

A.—I owned the Stanley Harris Co. over here and I also owned what was known—

Q.—But what I want to find out is what was the bridge you referred to that you had been working for for years?

A.—The bridge at the valley end, I worked along with the Highways Department.

HON. MR. BIGGS: It would have been the bridge that would have been built if the Toronto-Hamilton Highway had continued up through right into Hamilton.

HON. MR. MCCREA: The property at the east end of Bridge No. 1 referred to on the plan as Alexander Milne, W. D. Flatt property, you had acquired about a year before the Government started to get the roadway?

A.—I would say somewhere about that.

Q.—And who did you buy that from?

A.—Alexander Milne.

Q.—How long after you received the notice or the intimation that these men were working on your property that you called up Mr. McLean?

A.—I called him up the same night I went home.

Q.—What time of the year would that be, 1920? Fall of 1920?

A.—I would say it would be 1920.

Q.—Fall of 1920?

A.—As I remember.

Q.—How long before you entered into negotiations for the purchase of the Bray property?

A.—I cannot answer that question from memory exactly. I think we have everything here about on file. I am not in the habit of keeping copy of the letters I write.

Q.—But speaking from memory, how long after you found these people working on your property until you entered negotiations for the acquisition of the Bray property?

A.—It was some little time because after the expropriation—the expropriation ran nearly a year—

Q.—What expropriation?

A.—In other words from the date of the expropriation up to the time we received a settlement or up to the time we arrived at a settlement.

Q.—That is for the Milne property?

A.—Between the Bray property and the right-of-way which the Highways Department got from me it was about a year.

Q.—I know. Listen to my question. You learned that they were crossing your property?

A.—Yes.

Q.—You say Mr. McLean?

A.—Yes.

Q.—And you could not agree on a price with Mr. McLean for going across your property without expropriation?

A.—No, sir, there was no negotiations whatever previous to expropriation. I did receive a notice making the offer—

Q.—They did expropriate your property?

A.—They did.

Q.—Did you agree upon a settlement or did you have arbitration?

A.—We agreed upon a settlement.

Q.—Would you care to state what you got from the Highways?

A.—Yes, sir.

Q.—What did you get?

A.—I got the Bray lands on each side of the road that you see there and the Highways kept out their road.

Q.—So that for the portion they went through your property which would extend from the Bray lands to Bridge No. 1—

A.—Yes.

Q.—You made a trade with the Highways Department in respect to the Bray lands?

A.—No, it continued right on through.

Q.—Then for the pieces of lands referred to to-day amounting to 4.50 acres and \$3,000 and the Bray lands you settled with the Department of Highways ways?

A.—Yes, sir.

Q.—And do you remember when that settlement took place?

A.—I think about in August, if I would remember—

Q.—Of 1921?

A.—1922 I would think.

Q.—1922. Have you sold any land in the subdivision of the Bray property?

A.—We have, some.

Q.—Would you indicate what portions of it you have sold?

A.—We have sold lots here and there.

Q.—For instance here is lot 10?

A.—We have sold in other words, I would say, we have sold nearly half of the property, or maybe a little more, averaging about \$10 a foot.

Q.—\$10 a foot?

A.—I would think so.

Q.—Fronting on the highway?

A.—Possibly a little better.

Q.—What would the average of \$10 a foot give you for the property you acquired, of what you turned into the Bray subdivision?

A.—There is about 3,000 feet frontage, that is in the Bray subdivision.

Q.—That is \$30,000?

A.—Yes, sir. May I, or have I got to rehearse—will I have an opportunity then?

Q.—Yes?

A.—All right, thank you.

Q.—You sold about half of it at an average of \$10 a foot, which would give you \$30,000 for the Bray lands you acquired from the Highways?

A.—When it is all sold and the money collected in.

Q.—Does that refer only to the lands fronting on the highway, does it take in the back portions?

A.—No, sir, that is not sold.

Q.—What would you put on the back portions?

A.—Well, I can answer that this way and the only way I can answer it intelligently. There is no market for real estate. No man can place any price on real estate to-day, I care not who he is.

Q.—But you have an average of \$10?

A.—For what we got. Three of those lots which we had sold came back last week; two came back three weeks ago. Now there is no use selling lots—we talk about subdivisions—but there is no use selling lots unless you can collect your money, and that is what is happening most of the real estate men who are subdividing, they find themselves in the position of taking back the lots or carrying the people who bought them.

Q.—But that is the fault of general business conditions?

A.—But in making a deal of any kind every man must figure on coming up against these things.

Q.—Now when did the negotiations start with you, who did you carry on negotiations with for this Bray property?

A.—Mr. McLean, Mr. Milmine—I am not positive whether any right-of-way agent called. Mr. Milmine was there on two or three occasions.

Q.—Had you started any negotiations at all in connection with the Bray land or had anyone discussed with you the acquisition of the Bray lands in the fall of 1920 when the road was going through your property?

A.—Not that I have any recollection of.

Q.—Are you sure?

A.—Well, I am—

Q.—The only reason I asked you, Mr. Flatt, is this. You have told us it was in the fall of 1920 when the Highways Department entered on your lands without your permission?

A.—Yes.

Q.—That you immediately took it up with Mr. McLean?

A.—Yes.

Q.—And what I want to know, did you at that time when you took it up with Mr. McLean and asked him what he was doing on your land, and told him what you wanted for it, did any discussion then arise as to you acquiring this?

A.—Not that I am aware of.

Q.—What did the Department of Highways offer you in respect to your own land as a settlement at that time? They must have offered you some settlement?

A.—As I recollect there was an offer made but I think it was a nominal offer came for the taking of the land—

Q.—What was that offer?

A.—I think it was just a nominal offer sent of \$1,000—I don't recollect that exactly.

Q.—A \$1,000 offer?

A.—It was very ridiculous whatever was offered. I think everybody got the same thing as I remember.

Q.—But for the lands you did turn over to them, as it is figured out you turned over I think four and one-half acres?

A.—Somewhere there.

Q.—On a basis of \$12,000?

A.—Yes.

Q.—Do you know of any lands that sold as high as that in that neighbourhood?

A.—I want to answer that question as nearly, if you will permit me, as I must answer it. No man can answer it otherwise as I see it. The Highways Department in locating this Bridge No. 1 raised the grade of my property there for a distance of about 300 feet. They reduced the price of at least 600 feet off the frontage which I had—that is on the Milne land—at least \$6.00 per foot. The damage I claimed on the 600 feet was \$3,600. The building site at the east end of Bridge No. 1 was valued by me before the Highways Department ever came through at \$5,000. So that putting the building site down at \$4,000, the damage was \$3,600, would be \$7,600 I received from the Highways Department for that entrance there at the east end of Bridge No. 1—\$7,500. I claimed with Mr. Milmine that I was not receiving my just rights. I still claim so. I had never had—I have had dealings with the Highways Department since Sir James Whitney's government, with every government, where they have come through my land, and I claim that I had received less consideration in this deal than I had ever received from any previous deal.

Q.—There was no road to your lands at the end of this bridge, was there, until this Government road went through?

A.—I had a road leading down through my Valley View survey lying to the west.

Q.—But I mean through this particular section, Bridge No. 1.

Q.—Just through my Valley View survey I had a road leading down to the west of the Bray lands.

Q.—Of the character of the Government road?

A.—Not of the Government road, no, sir, but very much better for a high-class residential, than this that ruined my property for high-class residential which this was, the Alexander Milne property—beautifully wooded. The trees the Department cut, young trees, good quality—which was \$5,000 in trees for high-class residential.

HON. MR. MCCREA: What were you selling lands in the Milne part for on a frontage basis since this went through?

A.—Where they sold—that is before this road went through, we sold most of our Milne lands.

Q.—Have you sold any since?

A.—We have done no business to speak of, honourable, that is for two years.

Q.—Have you sold any lands since in the Milne part of your subdivision east of Bridge No. 1 since this road went through?

A.—We have sold—

Q.—And haven't you advertised that the lands because of this Government road are now more valuable than they were previously?

A.—Not this particular low land.

Q.—But the general area, haven't you advertised that the general area is more valuable?

A.—No, I don't include this particular portion. I would say the lands are more valuable, always a good road improves a property, yes.

Q.—And they are more valuable in the Bray subdivision part than they were before because of a road?

A.—Well, of course, there was no road.

Q.—Isn't that the fact?

A.—Yes, the road does add value, yes, true.

May I make one statement. I know it is for your own satisfaction all the way through, you want to feel—well, in other words that the Government either got a fair price for the Bray lands or they didn't. I may say that the Milne property adjoining the Bray lands to the east, there was 33 acres in that property. I paid \$14,000 for these 33 acres, that is adjoining on the Bray lands, purchased the year previous to the Bray lands being purchased by me from the Government. Sixteen acres on the south of the Bray property across Bridge No. 1 nearer to the City, or rather 40 acres to the south I purchased for \$16,000, that is 40 acres nearer to the city—

HON. MR. PRICE: Does this highway run through?

A.—Yes, the highway runs through.

Q.—When did you buy?

A.—That was also purchased previous.

Q.—What year did you buy?

A.—I believe it came in only a very few months—I will go further, considering you have asked a question. There was a man owed me a considerable sum of money, he came to me a year previous to the highway-going through and he said, Flatt, I would like you to take my 40 acres for \$16,000. I said I don't want it. I am loaded with property. I need cash at the present time. He came back six months after and said, I guess unless you take my property I cannot pay. I said, I don't want your property but I will take your property, so that was 40 acres for \$16,000. Now then I paid \$15,000 for the 18 acres of the Bray land.

I will tell you, I have had so many deals with the Highways Department since Sir James Whitney's time; if any gentleman ever connected with the Highways Department in any way, let him be in high capacity or low capacity, will come and say that Mr. Flatt dealt in any other way but with the greatest consideration, the greatest generosity to the Highways Department then I am quite willing to stand down.

HON. MR. MCCREA: We are not finding any fault with you?

A.—I feel keenly.

HON. MR. PRICE: You seem to be buying a lot of land lying along that highway. Did you get a tip that the highway was going through?

A.—Never, honourable. And in the matter of the Hon. Mr. Biggs—his name has been connected with me, I never met him—I never met him but once when he was Minister, and I never had anything in common; we never came together—

HON. MR. BIGGS: Just before the Committee rises. Mr. McBrien asked me a question at one of the meetings, I don't remember whether it was yesterday, if I ever borrowed \$2,500 from a man by the name—he was at the other end of the table and I thought he said Muntz, but I noticed in the paper the name is Nunn. I told in the negative. If the name is Nunn I reply in the affirmative. I misunderstood his name. I didn't know such a man, I thought he said Muntz.

HON. MR. MCCREA: Your statement now is you did at the time he refers to borrow—

HON. MR. BIGGS: From a party by the name of Nunn, \$2,500, just a personal matter between Nunn and myself. We have been friends for years. I didn't know how it was in the records but I don't want to say I didn't for I certainly did.

THE CHAIRMAN: I think that completes the evidence. Were you satisfied with the report as I prepared it. Do you want to read it again.

MR. LEWIS: I move the report as prepared by the Chairman be adopted and submitted to the House.

THE CHAIRMAN: It is moved by Mr. Lewis, seconded by Mr. Hillmer, that the report as prepared by the chair be adopted and submitted to the House. I think that completes the business.

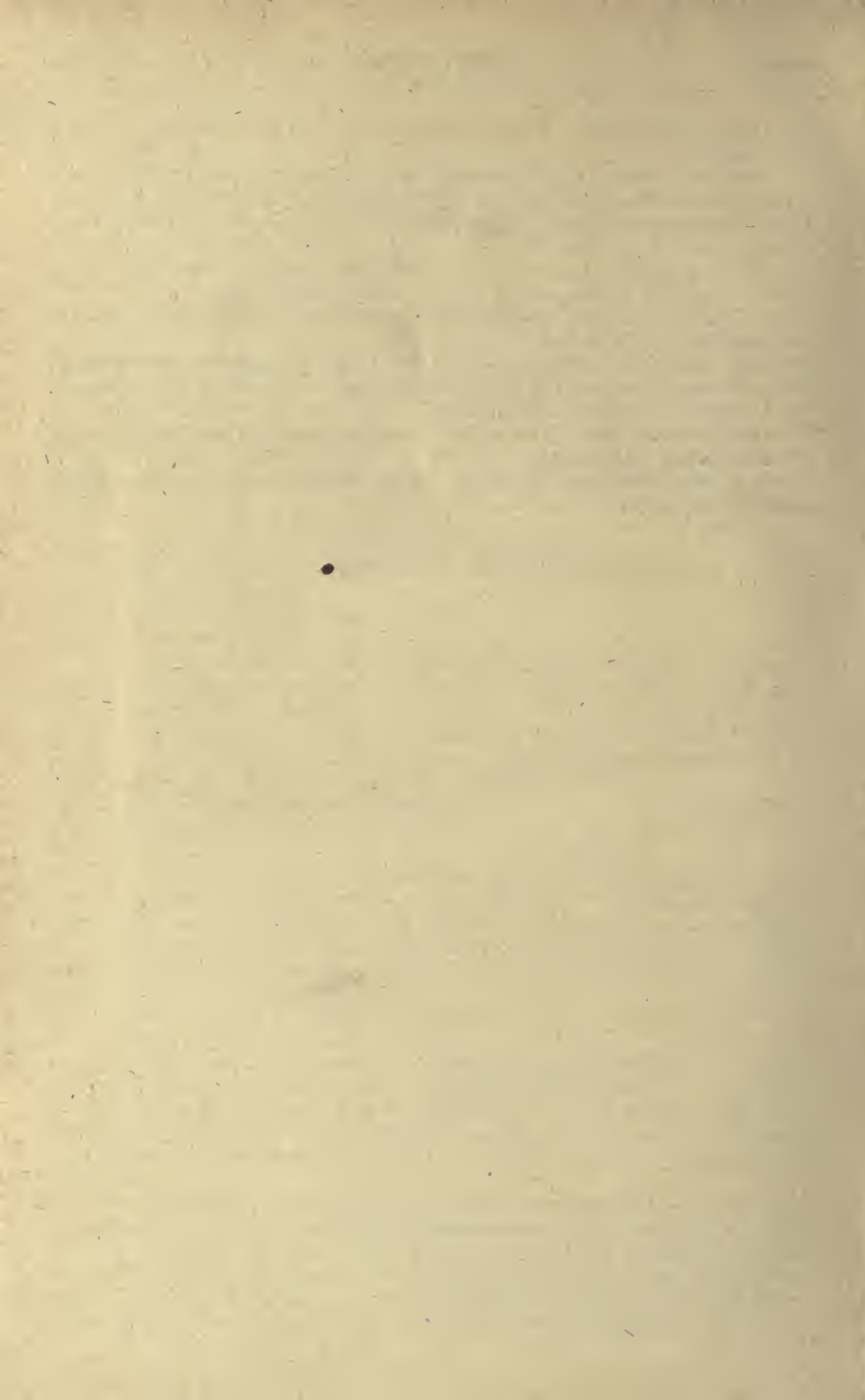
HON. MR. MCCREA: I move the Committee rise and report to the House.

MR. LEWIS: I second it.

HON. MR. MCCREA: And report the proceedings to the House in accordance with the report as read.

Carried.

The Committee then adjourned for the session.



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